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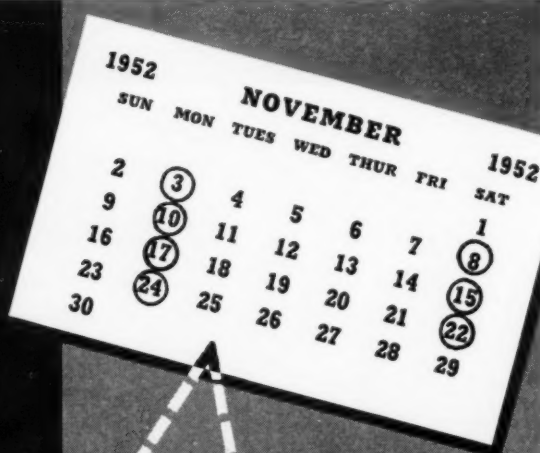
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THURSDAY, NOVEMBER 13, 1952

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NOV. 17 NEWSWEEK
22 POST
22 COLLIER'S
24 TIME



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—President Life Insurance Company



America Fore INSURANCE GROUP

Congress Committee Revamping Holds Insurance Interest

**New Chairmen Loom
for Units Dealing with
Insurance Questions**

By HENRY HALLAM

WASHINGTON—The election resulting in the House of Representatives and Senate being organized by the Republicans in January will mean a number of changes in chairmanships of important committees whose activities touch the interests of the insurance industry.

For example, the Senate finance committee, which handles tax matters, will be headed by Senator Millikin, Colorado, succeeding Senator George, Georgia. That committee also handles social security and veterans legislation.

The House ways and means committee, which originates revenue measures under the constitution, will be headed by Rep. Reed, New York, as successor to Rep. Doughton, North Carolina, who voluntarily retired. This committee has been in charge of legislation taxing life insurance companies, social security, pension bills, unemployment compensation, and tax legislation generally.

Langer Judiciary Head

Senator Langer, North Dakota, a "maverick" Republican, will succeed McCarran of Nevada, as chairman of the Senate judiciary committee, which developed the McCarran act dealing with insurance regulatory problems arising out of the S.E.U.A. decision.

On the House side, the judiciary committee, which conducted extensive hearings in its monopoly investigation on the life insurance industry some time ago, will be headed by Rep. Chauncey Reed, Illinois, succeeding Rep. Celler, New York. Rep. Walter, Pennsylvania Democrat, has been active in this committee for years and sponsored one of the original bills to exempt the insurance industry from the anti-trust laws.

The banking and currency committees of Congress have jurisdiction generally over banking, housing loans and insurance, housing programs, etc. These committees are scheduled to be headed, respectively, by Senator Capehart, Indiana Republican, as successor to Maybank, South Carolina, and Rep. Wolcott, Michigan, succeeding Rep. Spence, Kentucky. A subcommittee of this Senate committee led by Senator Frear, Delaware, has made extensive study of war damage problems. If such legislation is revived next year, as expected, the banking committees will have charge of it. These committees also have jurisdiction over RFC.

Interstate Commerce Committee

The Senate interstate commerce committee last Congress considered legislation to require registration of unlisted securities, including insurance stocks, with the securities and exchange commission. Senator Tobey, New Hampshire, is due to succeed Senator Johnson, Colorado, as chairman of this group.

The House interstate and foreign commerce committee chairmanship will be changed from Rep. Crosser, Ohio, to

Supreme Court Agrees to Review Texas City Case

WASHINGTON—The U. S. Supreme Court took jurisdiction in the Texas City disaster case by granting certiorari writ in *Dalehite vs. United States*. The court will give a hearing on whether the government is liable for \$240 million in claims. The court of appeals had held that the government was not liable; the district court had given the decision for the claimants. The insurance companies have a very heavy stake here by way of subrogation.

Agency Leader "Shocked" by Idea of Inviting Law on Commission Control

Carl P. Daniel of the Daniel & Henry agency of St. Louis, who is a former president of National Assn. of Casualty & Surety Agents, has issued a statement in connection with the proposal of Eastern Underwriters Assn. for a study of the idea of regulation of commissions by state law.

"The proposal that the so-called 'problem of commissions' be 'resolved' through legislation at the state level, must be shocking to many people in the insurance business," Mr. Daniel states.

"From the preachments of many of the spokesmen in our great business, one would naturally think that this proposal would find very little favorable response, as it violates the principles we are supposed to espouse, namely, free enterprise and freedom from governmental interference and regimentation. In the opinion of many, both inside and outside the business, there have already been too many restrictive laws passed at the behest of certain self-serving pressure groups among us, many of which laws are wholly unrelated to the public interest.

"Prior to the Supreme Court decision in the *Southeastern Underwriters* case, it was the established practice for some companies through concerted action to control commissions, but since such procedure is no longer permitted by applicable federal statutes, it is proposed that a strait-jacket form of regulation be legalized by the enactment of state laws. How many more sins are going to be committed in the worthy name of 'states' rights'?

"Are we now to have another instance of a great and successful business running to the government for even more regulation and regimentation? Cannot we, both agents and companies alike, continue to survive and prosper under a competitive system, without voluntarily shackling ourselves with further governmental control? This time the proponents of such dubious legislation may not find the climate at the state level so favorable to the acceptance of a proposal which would supposedly protect certain interests in the insurance business, and take away from both companies and agents the long respected and time proven usefulness of the right of private contract between the two."

Mutual Bureaus Move

Mutual Loss Research Bureau is moving its offices to the Kemper building, 20 North Wacker drive, Chicago. The bureau has three divisions, the Loss Research, Mutual Investigation and Mutual Reporting Bureaus, and they will have the new address. The phone number will be Financial 6-3660, except that the Mutual Investigation Bureau's number will be Central 6-6488.

Hold Huddle on Coast Dwelling Form Problem

A meeting was held at New York of representatives of regional fire insurance organizations to look into the possibility of developing a nationwide comprehensive dwelling form. This was held at the instance of Insurance Executives Assn. and an I.E.A. committee took part. Attention centered on the elaboration of coverage proposed on the Pacific Coast as an answer to the independent use of all-risk and other expansive contracts.

E. R. Chaufy Retires; Albert Named at Detroit by Fire Association

E. R. Chaufy, resident manager at Detroit of Fire Association, has retired. Mr. Chaufy joined Fire Association in 1920 after three years with Michigan Inspection Bureau. In 1927 he was appointed state agent with supervision responsibilities for both the Upper and Lower Peninsulas. In 1947 he was appointed resident manager, assuming supervision of a newly created metropolitan Detroit territory.

Succeeding Mr. Chaufy is John S. Albert. He is a graduate of the business school of the University of Pennsylvania. During the war he was a lieutenant commander in the navy. He is a graduate of the head office training course, and has served as a field man in the Pacific Coast department for five years.

83% Even Premium Filing Withdrawn in Ohio

The company that had made a filing in Ohio of an annual premium payment plan that provided for charging after the first year 83% of the annual premium has now withdrawn that filing.

The trustees of Ohio Assn. of Insurance Agents had taken cognizance of this and expressed opposition to it. Nevertheless, this filing and similar filings by another company in Oklahoma are indications that a good deal of thought is being given to what is going to be done when these annual premium payment plans that were written for five years come up for renewal for another five-year span.

Many believe it is entirely unrealistic to expect to be able to collect from insured a substantially higher premium than they have been accustomed to paying in order to get the next quinquennial of coverage under way. There are some who feel that this is a problem that should be dealt with well in advance of the time when this question will arise. Unless this is done, there is bound to develop, say many observers, some sort of a competitive offer that will in one way and another result in abolishing the fifth year hump.

Department Move Delayed

LANSING—The Michigan department, functioning in a series of quonset hut structures on the Michigan State College campus since partial destruction of the state office building by fire in February, 1951, had been scheduled to move back into quarters in the renovated structure the past week-end but the move had to be postponed, as lack of hardware for the only entrance having access to elevators made it impossible to move in desks, files and other office paraphernalia.

Bethel, Bennett Honored at Kentucky Agents' Meeting

**H. B. Milward Named
President to Succeed
C. S. Gardner**

By JAMES C. O'CONNOR

LOUISVILLE—The turnout at the annual meeting of Kentucky Assn. of Insurance Agents here this week broke all records and was a splendid tribute to Peyton B. Bethel, veteran secretary, who retires at the end of the year after 19 years' service with the organization and also with Louisville Board of Insurance Agents. He will be succeeded Jan. 1 by C. Joseph Blanchard, who has been learning the ropes as assistant secretary. The crowd of over 600 which jammed the dinner Monday evening gave Mr. Bethel a tremendous ovation when President C. S. Gardner, Owensboro, presented him the cup donated by Cherokee Ins. Co. for the outstanding insurance man of the state. S. C. Barnes, Elizabethtown, state national director, presented Mr. and Mrs. Bethel a television set, the personal gift of the officers and executive committee.

Milward New President

Hendree B. Milward, Lexington, was elected to succeed Mr. Gardner as president. C. M. Moore, Bowling Green, is the new first vice-president and Guy Billington, Murray, a member of the executive committee last year, moved into the hierarchy as second vice-president, which puts him in line for the presidency two years hence. Mr. Milward reappointed Mr. Barnes state national director.

A native of Lexington and a graduate of University of the South, Mr. Milward went into the insurance business in 1938 with the King agency of Lexington, which at that time was owned by his father, H. K. Milward, and C. J. Smith, past president of the Kentucky association. After serving with the air force as a bombardier, Mr. Milward returned to the agency in 1945 and became manager at the death of his father the same year. After Mr. Smith's death in 1947, Mr. Milward became senior partner. He was president of Lexington Assn. of Insurance Agents in 1949 and went up in the Kentucky association as executive committeeman, second vice-president and first vice-president.

Must Find New Meeting Place

The growth of the Kentucky association and attendance at this meeting posed a serious problem of accommodating everyone. The capacity of the dining room, 575, was sold out by noon Monday and an overflow crowd was taken care of on the mezzanine floor. Mr. Gardner announced that it would be necessary to hold the 1953 meeting at another location, despite the fact that the Kentucky agents do not want to leave the Kentucky hotel, their meeting place for the past several years. Despite overcrowding, the meeting ran off smoothly. All sessions drew full houses and company headquarters abounded and had plenty of patronage.

The opening session honored another
(CONTINUED ON PAGE 21)

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**AUTOMOBILE—FULL COVERAGES
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Offers Fighting Advice to Agents with Auto Troubles

The regional meetings which New York State Assn. of Insurance Agents has been conducting this fall and is still conducting have been concentrated largely on the automobile insurance problem. One of the helpful discussions has been that of Arthur L. Schwab of Moffatt & Schwab, Staten Island, in which he counters the argument that the insurance industry is pricing itself out of the automobile liability business.

The statewide premium for 10/20/5 in 1935 was \$66.68, and in 1952 was \$96.79. In 1945 it was \$34.68, but both the public and the business seem to forget the rates were slashed during the war to nearly 50% of the 1935 level.

Wrong Comparison Base

Mr. Schwab thinks this is the primary cause of today's rate troubles. The inclination is to compare today's rate with the gas rationed, tire rationed war rate rather than with the pre-war rate. He thinks the leaders of the business made a big mistake when they did not return the rate to the pre-war level immediately upon the end of gas rationing.

The property damage liability rate has increased 124% since 1935, but the bodily injury has gone up only 29% in the same time, and there has been an overall increase of only 45% in the 17 years.

He noted that automobile repair costs generally are up more than 200%. The Chevrolet manual for 1940 showed the charge for a hood top panel, painted, as \$8.10, in 1950 as \$27.15, a 300% increase; the front door painted, less trim, glass and hardware was \$28.90 in 1940 and \$74.65 in 1950, again a 300% increase. These tremendous increases in cost result not only from higher labor and materials charges but also from the modern car design of the motorcar. The new car costs from 100 to 150% more than in 1935. It is true that the new cars are better, but so is the automobile liability policy.

He specified other inflationary effects bearing on the cost of automobile insurance, the increase in average jury award from \$3,489 in 1941 to \$6,760 in 1951 in New York state, the rise of 162.7% in the hospital rate index in 10 years.

"Are we pricing ourselves out of business? Does the automobile salesman, repair man or anyone else think he is pricing himself out of business? What about the clothier? Can you remember when you could buy a good suit for \$25? There is nothing in our record to make us afraid to stack it up against any other commodity."

On Staten Island, the Richmond county association is actively carrying this story to the public, hammering home the idea that the community makes its own rates. If the auto rates of a community are out of line with the rest of the state, it is time the community started a concerted effort to improve the situation.

In the highest rated district of New York, New York City, the class 1 premium still is about 50c a day, and many customers spend that much for tobacco, he said.

Bad Press Fault of Business

The business is getting a bad press, but he regards this as the fault of agents and the business as a whole. They do not talk about their product or themselves in the way that they should.

One thing subject to great criticism is the expense portion of the dollar. Acquisition cost is the biggest single item in expense, and acquisition cost is commission, which means the salary and wages of agents.

It is a gross misnomer as far as agents are concerned to talk about acquisition cost. Agents are not paid for acquiring the business for their companies, but are paid to provide a service to insured. Mr. Schwab recently discovered that the men high in the busi-

ness believe that the agent earns the initial commission on a policy but does not earn the renewal commission and is entitled to only 50% of the present scale for renewals. The evidence shows, Mr. Schwab said, that the amount of time spent on producing new business in the established agency is considerably less than 20% of total activity. This means that more than 80% of all time and effort in the agency is devoted to renewing and servicing policies and accounts already on the books.

\$75,000 Agent Out of Business

He cited an illustration of what this faulty theory would do to an agency. The agency's volume is \$75,000, commission income \$15,000; wages, rent, advertising and other expenses, \$6,500. The agent takes \$6,500 as his salary and has a profit of \$2,000. Applying the formula above to this agency, the agent's gross income would be reduced to \$9,000. How could he reduce his \$6,500 expense? That would leave \$2,500 for himself for a year of good hard labor.

In these times the subject of cut rates comes up frequently. He noted that the companies writing at a deviation in New York have increased their rates. He has yet to meet an agent who honestly could say that there was a time when he did not have competition which could undersell him. A quality product and a quality service can always be undersold. But he wonders if the best doctor in town is the cheapest, the best lawyer, etc. Why does the best agent have to meet the cheapest price for the product he sells? He is performing a valuable service for his clients and if he does his job properly he will always be worth the difference between the cost of this product and that available at a cut rate.

He urged agents to get out and talk about the product and particularly about the service which the agent performs. Most of those in the business got in it deliberately, and he thinks it's worth fighting for.

Indiana Card Is Completed

The complete program for the annual convention of Indiana Assn. of Insurance Agents has been announced. The meeting will be at the Claypool hotel, Indianapolis, Nov. 17-19. This is a meeting that is watched with interest from the attendance standpoint. For the past several years it has attracted in excess of 1000 registrants.

The registration desk will open Monday and that morning the directors will convene. The convention proper will begin with a luncheon in charge of the farm underwriting committee at which Ray L. Strayer, Sr., will preside. After some entertainment during the meal, talks will be given by Ray E. Hawkins, hail supervisor of Home at Peoria; John P. Scanlon, Muncie, and E. H. Luecke, agency superintendent of Fidelity & Casualty.

That evening the local board presidents and secretaries will have a dinner with Harry E. McClain, association executive secretary, presiding. At this gathering there will be talks by John F. Neville, executive secretary of National association; Paul H. Blaisdell, public safety director of Assn. of Casualty & Surety Companies, and Morris J. Carter, safety director of the Indiana association. That evening also will be shown the movies "I Take Risks" of the W.U.A., with John Goldman, New Hampshire Fire, in charge, and "A Day In Court," the film of International Harvester Co., with Mr. Carter directing.

President Hobbs Miller, Seymour, will preside at the Tuesday morning

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session. He will give his annual report, and then W. E. Pullen, vice-president and agency director of U.S.F.&G., will talk on "What the Agent Should Expect of His Company." There will be a safety forum with Mr. Carter, Robert A. O'Neal, Indiana State Police; C. W. Dane, Indiana university, J. L. Lingo, Purdue university; C. C. Shaw, Evansville, and C. D. Kessler, Peru, participating. This session will be closed with a talk by Louie E. Woodbury, Wilmington, N. C., talking on "Selling Ideas." In the afternoon will be the business session under Linn S. Kidd, Brazil. John F. Neville, executive secretary of the National association, and W. W. Clement, International Underwriters Corp., will be heard.

That evening will be the annual banquet and entertainment. No business is conducted at this affair.

The next morning with President Miller presiding, there will be an "Information Please" panel with James C. O'Connor, editor of the F.C.&S. Bulletin, in charge. Those participating will be David Baldwin, Fort Wayne; Al Carle, Terre Haute; Donald F. Dean, Indianapolis; A. William Koenig, Evansville, and Virgil Smith, Milan. Roy A. Duffus, Rochester, N. Y., will give a talk on "How To Be a Better Agent."

The convention will close with a luncheon at which the various awards and trophies will be presented and the resolutions committee will make its report.

Oscar, VI



North America won its 6th "Oscar of Industry" in eight years for having the best annual report among insurance companies. Shown admiring the latest addition to the line of trophies in the background are John A. Diemand (right), North America's president, and J. Kenton Eisenbrey, secretary-treasurer.

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Miseries of Annual Renewal Plan Grow More Obvious

Business Seeks Way to Offset Cost, Tax, Other Problems

Now that companies and agents are beginning to feel the full effects of installment payment of term premium and annual renewal plans for payment of term business, especially the latter, there is a considerable discussion of ways of offsetting these effects. These include substantially increased handling costs, a readjustment to annual premiums (at term rates), which hurries the unearned premium process and creates very real tax problems for the companies and financial embarrassment for agents.

One reason for a review of the situation and an attempt to find alternative ways out is the specter of the continuous policy, now cropping up here and there for the purpose of getting over the fifth year, 100% premium hump. Another factor is the number of states in which the annual renewal plan is mandatory, which means that the endorsement must be put on policies insuring lines subject to the term rule. Even in states where the plan is not mandatory the incidence of its use grows and grows.

Financing Plans

One route being explored to bypass what are regarded as the evils of annual renewal are financing arrangements that come very close to being as easy as the annual renewal but which give the company its money and the agent his commissions on the old basis. More is expected to be heard of that idea as time goes on. Another suggestion is the possible support of legislation similar to that in Virginia.

The plan raises some ticklish questions. If the policy has run a year and insured does not pay for the renewal, the company must send out a cancellation notice, and there are some in the business who believe they must cancel on the basis of a five year premium. This is on the theory that it is a five year contract, and that part of the full first year premium above the renewal charge must be pro-rated over the five-year period, and insured be refunded a portion of it.

This question has come up in connection with reinsurance, and there the sentiment of the business is that the reinsurer that comes in at the second or subsequent year is entitled to a pro-rate portion of the part of the first full year premium above the renewal rate. If the company for underwriting reasons does not renew the policy, the same situation faces it as respects at least a portion of the first full year premium.

No Longer Recommend Plan

It is understood that one, and perhaps other regional organizations are no longer recommending the annual renewal plan. This probably would not be of much practical benefit since even if rating bureaus were inclined to withdraw the plan, it would be necessary to secure approval of the insurance department to do so. It is not considered likely that the plan where approved would be withdrawn.

There has been some discussion of whether or not companies are able to pick up an annual renewal policy in the second or later year and continue it at the reduced premium, rather than having to start with the full annual premium. This is regarded as unlikely

since it would be a failure of the rating bureau to enforce its own rules, and this would come under the scrutiny of insurance departments in their examinations of such bureaus.

The annual renewal plan is mandatory in Alabama, California, Colorado, Connecticut, Illinois, Iowa, Kentucky, Maine, Massachusetts, Minnesota, Nebraska, New Mexico, North Dakota, Oklahoma, Rhode Island, South Dakota, Tennessee, Vermont, Wisconsin, Wyoming. If the line covered by the policy is eligible to term the agent must insert the endorsement. Even if the policy covers lines that are subject to the term rule and those that are not, the endorsement must be used, and the lines specified that are subject to the term discount.

An up to date tally shows that the installment payment of term premium plan has not been approved in seven states—Louisiana, Mississippi, Missouri, New Hampshire, Ohio, Texas and Virginia. It has been filed by rating bureaus and approved in 40 states and the District of Columbia. In one state, West Virginia, the only installment plan that has been authorized is that of North America. In Florida, there is both a bureau and a North America plan operating simultaneously.

Exceptions to 78% Charge

In most states the premium after the first year is 78%. Exceptions are California, Arizona, Montana, Nevada and Utah, where the renewal percentage in 53 and 78. This is due to a difference in the term rule peculiar to the Pacific Coast territory. In Oregon, the percentages are 52.5% and 78.5% and also 54% and 81%. In Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Nebraska, and Wisconsin, the renewal percentage is 80.

The annual renewal plan has not been filed by a rating bureau or approved in 13 states — Delaware, Florida, Louisiana, Mississippi, Missouri, New Hampshire.

(CONTINUED ON PAGE 20)

Insurance Day at San Antonio Boosts Agency Efficiency

SAN ANTONIO — "Agency Efficiency" was stressed at the second annual Insurance Day sponsored by San Antonio Insurance Exchange, with Carlos Coon of Browning, Coon, French & White, past president of the exchange, as chairman.

W. C. Lawrence, Home, first speaker on that topic, discussed the use of the revised general basis schedule now in use in Texas. He said many agencies have too many manuals and do not have any systematic plan for keeping them posted to date. This lack of system causes confusion and loss of time.

He also called attention to neglect of correspondence from field men and from the companies. He said prompt answers to letters would help clean up the suspense file. A note may be made on a letter received and returned concerning any unusual item or situation. He stressed that the customers on an agency's books are the best prospects for additional sales and increased premium income.

Gordon Friedrich of Sawtelle, McAllister & Cary, president of the San Antonio Exchange, also stressed prompt answering of correspondence. He said writing letters costs money and that company officials and field men do not write letters for personal amusement.

Shows Form His Office Uses

He presented a form used in his office to record the date of application for insurance, and what was done, showing premium and other details. This form resembles the daily report and is arranged in colors so that there need be no confusion with regard to disposition of the various copies which are in

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... and it may be said also, "a valuable part of the life of business." Because human contacts are so large a part of business, it follows that the more pleasant and considerate those contacts are, the more satisfactory a business relationship is.

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The Palatine Insurance Company Ltd.
The Commercial Union Fire Insurance Co.

duplicate. He mentioned the desirability of a claim record on the assured so that it may be determined whether the assured is claim-conscious, and stressed the importance of correct spelling of names.

Osias Wolf, the third speaker on office efficiency, took up problems presented by the rapid turnover of employees. He has a manual of instructions to be studied by each new employee so that there may be a minimum of lost motion and resulting irritation to customers and to the employer.

Speaking on "Surety Bonds," Harley Penn of Cravens, Dargan & Co., Houston, called fidelity bonds a valuable source of additional premium income. He stressed the importance of adequate information concerning the applicant for a bond and said that all too often merely the name and business of the applicant are sent in.

Willis McVey of the casualty division of the Texas department, previewed its work and the problems it faces, including rating questions.

Policy Changes Not Wanted

C. N. Chapman, assistant manager of Texas Insurance Advisory Assn., Austin, said the association has decided that this is not the time to recommend changes in the Texas standard fire policy. He emphasized that it is not a state department but is composed of 210 stock companies and 35 mutuals.

Weldon Dodgen, Texas Insurance Checking Office, reviewed the revision of the Texas general basis schedule and said the new edition enables the agent to find more readily the section he desires to use and has eliminated outmoded sections which were written 30 or more years ago.

J. D. Squibb, manager of Texas Automobile Insurance Service Office, said the work of processing applications for automobile insurance under the assigned risk plan had been greatly underestimated when the plan was adopted.

"Texas Association News and Developments" were presented by Travis D. Bailey, Lytle W. Gosling & Co., San Antonio, immediate past president of Texas Assn. of Insurance Agents, who reviewed the case now in court concerning the licensing of automobile agencies to write insurance and the question of commissions as related to the welfare of the local agent.

Will Hiss, attorney-adjuster, has joined Western Adjustment at Great Bend, Kan., to handle casualty claims. He was at one time a staff adjuster for Sheffer-Cunningham of Wichita.

Stresses Benefits of Calculators to Find Return Premiums

Ohio Audit Bureau is conducting a survey to determine what the actual expense is to companies incurred because errors are made in figuring return premiums. Errors of this sort are not only costing the companies money, but also add a great deal of work to that of the audit bureaus, because they must issue correction slips. M. B. Garbutt of Cincinnati has gotten together some figures showing the ease with which mistakes can be made in this computation, stating:

This seemingly simple problem, constantly faced by every insurance office, is really not so simple as it appears. Actually there are only three ways of accurately determining "days in force" in endorsing or cancelling insurance policies—

1. By following a calendar, or rule, "Thirty days hath September, etc.," adding the number of days in each month to arrive at the answer, an admittedly slow and inefficient method;
2. By the use of a numbered calendar, or
3. By the use of a mechanical or graphic calculator.

In practice, those using the "pencil and paper" method usually assume a 30 day month. For example, a one year policy written on March 15, 1951, is to be endorsed or cancelled on Feb. 20, 1952.

Date of endorsement or cancellation	2-22-52
Date of policy	3-15-52

Time in force	11-7
Eleven months and 5 days or 337 days	

By this method it seems that the policy has been in force 337 days. Actually it has been in force 344 days. The error of 7 days or 1.9% applied to a premium of \$200 amounts to an error in dollars of \$3.80; to a premium of \$800, to \$15.20.

The embarrassment involved in correcting such errors is probably more important than the expense involved. Neither is necessary. Most of the several insurance percentage calculators or insurance percentage tables on the market cost considerably less than the single error cited above. They not only accurately indicate the number of days in force but the percentage as well, thus to a large extent eliminating arithmetical errors.

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Sheldon Sees Menace in Continuous Form

By-passing the Hump in Annual Renewal Plans Raises Issues

The possibility of a continuous term of policy being the final outcome of the installment payment or annual renewal plans has always been recognized by National Assn. of Insurance Agents, and addressing the convention of the Arizona Assn. of Insurance Agents at Phoenix, Walter M. Sheldon, N.A.I.A. president, said: "I wonder what effect such a plan, if universally adopted, might have on the value of an insurance agency."

Mr. Sheldon said the N.A.I.A. property insurance committee has been watching the trends in installment payment of fire premiums and the term rule. The recent filing in Oklahoma of a renewal plan based upon the first year's premium at 100% of the annual rate and all succeeding renewals at 78% of the tariff rate, to all effects and purposes sets up a continuous policy and the committee is giving this filing careful study, he said.

Another large western company that made a similar filing was cited by Mr. Sheldon who said: "Here is a trend that can offer real problems to each of us in the handling of our business, and one that your National association will watch carefully."

"It is now possible that with these two filings, the companies would gladly sit down with the agents in an endeavor to improve the installment and renewal plans without depriving the policyholder of the general benefits accruing to him under them." Requests by the agents that the companies be more realistic in the operation of these plans have not been met up to the present, he added.

New Ga.-Fla.-Ala., Rocky Mountain Handbooks Out

New, up-to-date Underwriters Handbooks for Georgia-Florida-Alabama and for the Rocky Mountain States (Colorado, Idaho, Montana, New Mexico, Utah and Wyoming) have just been published by the National Underwriter Co. These provide complete and up-to-date information on agencies, companies, field men, general agents, solicitors, groups and other organizations affiliated with insurance throughout these two large territories.

Premiums and losses by lines, within these states, for all fire and casualty companies and life insurance paid for and in force for life companies, are also presented in special, statistical sections. Copies of either may be obtained from the National Underwriter Co. at 420 East Fourth street, Cincinnati 2, O., price \$12 each.

Meetings for Mo. Agents

Missouri 1752 Club has arranged three fall educational meetings Nov. 18 at St. Louis, Nov. 20, Springfield and Nov. 21, Kansas City.

A local agent, an adjuster and a company man will appear on each of three panels which will cover some aspects of fire, inland marine and comprehensive general liability coverages. Agents and adjusters who will serve on the panels are J. S. MacLellan and John Gard at St. Louis; Nick Adams and Gerry Martin at Springfield; Bernard Thompson and Fred Vardemen at Kansas City.

Home office men who will act as mod-

erators are Gene J. Bonin, Badger Mutual; Leslie B. Linquist, Northwestern Mutual, and Leonard Millstead, Equity Mutual.

Agricultural Unit of Fire Waste Council to Meet at Chicago Nov. 18

The program has been prepared for the annual meeting of the agricultural committee of National Fire Waste Council. This will be at the Edgewater Beach hotel, Chicago, Nov. 18.

The program includes talks by Donald Ross, merchandising manager of "Successful Farming," who will discuss farm

progress; Dr. A. A. G. Chapman, chief of the division of forest management research of the U. S. Forest Service; Thomas E. Long, manager of the farm bureau of Portland Cement Assn., who will talk on "Concrete Fire Cisterns Construction" and will present a film entitled "A 3000 Gallon Cistern for Better Fire Protection." Donald M. Higgins, national director of health and safety of the Boy Scouts, will discuss a rural scouting program; Laurence H. Glens, fire department tax division manager of Illinois Municipal League, will talk on development and growth of rural fire prevention districts, and Bowman K. Breed, Underwriters Laboratories, will have as his subject "Inherent Hazards

in Crop Drying Equipment." A special feature will be a film, "Chicago, U.S.A. Super Livestock Market."

Blue Goose to Fete Cal. Agents' Officials Nov. 17

San Francisco Blue Goose on Monday, Nov. 17, will be host at a luncheon honoring officers and directors of California Assn. of Insurance Agents, whose annual convention gets under way that day at San Francisco. The speaker will be Brutus Hamilton, director of athletics at the University of California and coach of the U. S. Olympic track team, who will talk on "The Olympic Games."



It takes two to do a mind-reading act—and it also takes teamwork between producer and company to build an outstanding insurance business. Last year we made available to any agent or broker, whether he represented us or not, copies of a monthly mailing to our producers, FIREMAN'S FUND IDEA INDEX. The requests were so numerous that we are continuing this offer in 1952. Past issues of the IDEA INDEX discussed specific coverages...the complete file is a miniature textbook on insurance. This year, the emphasis will be on sales helps, case histories, success stories, helpful information on overcoming sales resistance. One of many FIREMAN'S FUND services, our IDEA INDEX has built business for others...it can build business for you. Mail the coupon today.

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Virtual Standoff in Texas Rate Revision

More Classes Decreased but with Less Effect on Premiums

AUSTIN—While the number of classes receiving decreased fire insurance rates nearly doubles those with increased rates, there is a virtual standoff in the effect on earned premium volume in the rate revision order of the Texas board of insurance commissioners, which became effective Nov. 3.

In an accompanying order for farm risks, the frame class deduction has been cut from 30 to 29% and the brick class has been granted a 5-point higher deduction to 65%. This will result, of course, in an increase in premium volume, since about 98% of farm business is in the frame class.

In brief, the new rate order provides for decreases on 40 types of risks and increases on 21 types in the various classifications. When the changes are applied to the 1951 earned premium table, it is disclosed that the decreases will amount to about \$943,000 and the increases to \$957,000.

Brick Protected Risks Raised

On brick protected risks the major increases are applicable to mercantile buildings and contents as a result of cuts in the percentage deductions. Semi-fireproof buildings and contents are the major classes receiving additional credits.

On frame protected risks the major classes of churches and mercantile buildings and contents face rate increases, with apartment houses, contents of sprinklered buildings and grain elevators receiving decreases.

Most of the brick unprotected classes will enjoy rate decreases, such as semi-fireproof buildings and contents. School buildings, however, face a higher rate because of a 5-point reduction in the allowed credit.

Eight classes of unprotected risks were given higher deductions, including dwellings and mercantile buildings. Rate increases are applicable to seven classes, including mercantile contents, which have a 5-point lower credit.

The new rate order also gives an additional credit of 40% on all public housing authority projects, applicable to fire, windstorm and extended coverage building rates.

Travelers Names Two in Information, "Ad" Unit

Walter M. Harrison, Jr., and Herbert J. Kramer have been appointed assistant managers of the public information and advertising department of Travelers.

Mr. Harrison joined the information and advertising department in 1946. He



W. M. Harrison



H. J. Kramer

received a B.A. degree from the University of Oklahoma in 1938 and an M.S. from the journalism school of Columbia University in 1939. During the war he served with the air force, becoming a major.

Mr. Kramer joined the department in 1951. He graduated from Harvard in 1942 Phi Beta Kappa, magna cum laude.

He received his M.A. degree from Harvard in 1946, and his Ph.D. also from Harvard in 1949. He was in the army during the war as a first lieutenant in anti-aircraft. Immediately prior to joining Travelers, he was an account executive with a Hartford advertising agency.

New Michigan Legal Aid

John DeRose has been named as the new legal aide to Commissioner Navarre of Michigan. He graduated from the University of Detroit in August.

Airline Cover on Marine Plan Allowed in Minn.

The Minnesota department has issued a ruling that would permit insuring much of the personal property of airlines under marine contracts. The ruling was in the nature of an amendment to the nationwide marine definition. Such insurance must exclude office furniture and fixtures, office records, buildings other than pre-fabricated structures used in the operations of the assured as an

air base; automobiles, money, notes and securities, installed B.B.T. lights, gasoline, oil and greases. Property that can be insured under the marine contract includes personal property designated for use in specified hulls of aircraft, engines and power plant assemblies while dismantled, except when covered under aircraft hull insurance, material, equipment, parts, etc., removed from stock and designated to be used in connection with the reconversion or modification of aircraft, radio equipment and supplies of all kinds, meteorological equipment.

CRIME COVERAGES FOR COMMERCIAL CLIENTS



You can make new profits from the great "middle market" for insurance. The opportunity for sound agency building that is often neglected by insurance producers is America's great "middle market": the small and medium-size commercial prospects of all kinds. Those are stores, jobbers, manufacturers, contractors, all types of service organizations, all types of professional and office organizations—literally millions of them. And probably the majority of them have never had complete insurance service offered to them by a well-informed insurance producer. Most have fire insurance, and most have auto and truck protection. But how many have had the other major types of protection offered to them: inland marine covers, where needed, general liability and crime protection?

Recently we offered our agents a plan for selling these profitable prospects general liability insurance, and it has been widely used. Now we have a complete plan for selling

crime insurance. Included are two attractive three-color folders, suggested letters to go with these folders to prospects, a new and valuable "Proposal" form that makes the unprotected risk stand out like a sore thumb, and a new issue of our popular Agency Sales Bulletin. In the Bulletin are suggestions for making prospect lists, and how to promote and sell all the crime coverages in this highly profitable "middle market" for insurance.

If you would like to have a copy of the Bulletin, the two folders and the Proposal form, simply complete the coupon below and these will be mailed to you without cost or obligation. Sending for these may help you find a way to make your agency much more profitable, so why not send the coupon, today!



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Agency

Street

City or Town..... State.....

Fascinating FIRST FACTS...

PITY THE POOR POSTMAN



In a tiny store on New York's Fulton Street, in 1839, a wrapper, forerunner of today's envelope, was first manufactured by a Mrs. Pierson. Prior to this, letters were folded and the receiver's name and address written on the blank side.

One-hundred-years ago, 1853, envelopes came of age when the first practical commercial envelope folding machine was patented by Dr. Russell L. Hawes, Worcester, Mass.—producing 25,000 envelopes per day.

A glance at today's mail reveals the change 100 years has wrought. That century also saw rapidly expanding insurance needs. The Saint Paul Companies, first chartered 100-years ago, have been front seat observers of these changing needs, developing coverages to fit them—giving you a flow of up-to-date, complete coverages for your assureds.



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Serving Working People"

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Supporting the Traditional American Agency System

\$750,000 Premiums Vanish in Wis. Fire Rate Revision

The Wisconsin department has completed a study of the fire loss experience during the last five calendar years and a net rate reduction will result, to become effective on new and renewal policies Jan. 1.

Commissioner Lange finds that dwelling risks, apartments, seasonal dwellings, builders' risks, automobile garages and repair shops, seasonal hotels and resorts, sprinklered risks and terminal elevators are entitled to a reduction from 5 to 25%. Several of these classes had rates reduced Sept. 1, 1950. The removal of exposure charges from the dwelling schedule contributes further to the reduction. The differential for approved and unapproved roofs has been reduced.

The dwelling definition has been amended to include buildings occupied by from 1 to 4 families instead of by 1 to 2 families as heretofore. This will simplify the underwriting of that class. The apartment classes will now begin with buildings occupied by 5 or more families.

The adverse experience on fires in properties occupied for woodworking and metalworking during the past five years justified an increase as to these two classes. Total decreases will amount to in excess of \$1 million in premiums and the increases will be about \$250,000.

Richard Drachman New Ariz. Secretary: Nehring Cited

Richard Drachman of Tucson was elected secretary of Arizona Assn. of Insurance Agents at the annual meeting at Phoenix, and Kenneth L. Nehring also of Tucson, was re-named as state national director. In last week's edition there was reported the election of J. Will Howell of Tucson as president, and Lester B. Curtis of Phoenix as vice-president.

Mr. Nehring was presented a watch by the Douglas-Cleveland general agency of Phoenix for his outstanding contribution to civic and agency affairs.



Kenneth Nehring

O'Brien Joins A.M.A. in Advertising Production Post

R. J. O'Brien, advertising manager of THE NATIONAL UNDERWRITER, on Nov 17 will join American Medical Assn. as advertising production manager. The association publishes the "Journal" of the A.M.A. and 11 monthly magazines. Mr. O'Brien has been with The National Underwriter Company since 1949. He is succeeded by Carl Lee Wood.

To Welcome New Members

The insurance membership group of the Union League Club of Chicago is holding a luncheon meeting Nov. 25. New members of the Union League Club who are connected with the insurance business will be greeted and there will be a short talk on "Today's Insurance Outlook" by Walter M. Sheldon of W. A. Alexander & Co., who is president of National Assn. of Insurance Agents. There have been many new members admitted to the club in recent months.

Minn. Buyers Hear Burke

Peter A. Burke, managing director of National Insurance Buyers Assn., spoke at the Nov. 10 dinner meeting of Insurance Buyers Assn. of Minnesota at Minneapolis.

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Go WEST...



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We specialize in printing for insurance companies. Our completely new plants in Danville and Boston are designed and equipped to turn out forms **quickly** and economically.

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55 Old Colony Parkway Boston 25, Mass. 2815 N. Vermilion St. Danville, Ill.

Possible Changes in Commissioner Ranks Are Scanned

NASHVILLE — Frank Clements, newly elected governor of Tennessee, is expected to name a successor to Commissioner M. O. Allen early in December. Joe Carr, prominent local agent, has eliminated himself from consideration by declaring that he prefers to continue his agency. Commissioner Allen, health permitting, will return to his own agency at Newport, Tenn. Currey Sanders and Tom Miles, deputy commissioners and highly regarded "career" men in the department, are expected to hold their positions. Both are highly respected by both company men and local agents.

FRANK SULLIVAN TRIUMPHS

TOPEKA—Frank Sullivan, Kansas commissioner and a past president of N.A.I.C., was reelected by a large majority over his Democratic opponent, George A. Russell, Jr., of Cottonwood Falls.

DITTO W. A. SULLIVAN

SEATTLE—Commissioner W. A. Sullivan, Democratic incumbent, defeated his Republican rival, Fred C. Becker, in the Nov. 4 election. Sullivan's total vote at the last count was 374,991, while Becker polled 336,274 votes. This count was from 3,603 out of 4,381 precincts. The Sullivan dominance in N.A.I.C. is diminished by 33½%, however, due to the fact that Gov. Dever was defeated in Massachusetts, spelling the doom of Commissioner Dennis Sullivan.

COLUMBUS — The reelection of Frank J. Lausche as governor of Ohio will assure, it is believed, the continuance of Walter A. Robinson in the office of Ohio superintendent of insurance. Mr. Robinson has been with the department 42 years, and is highly popular with the insurance men of Ohio.

There is considerable speculation in Indiana on whether Linn S. Kidd of Brazil would accept appointment as insurance commissioner of Indiana. He was manager of the successful campaign of his fellow townsman, George Craig, for governor and it has been taken for granted that Mr. Kidd could have the refusal of the insurance commissioner's office. Mr. Kidd's father, J. C. Kidd, was insurance commissioner of Indiana back about 1930. Another possibility for the Indiana commissioner is Glenn May of Spencer. He and Mr. Kidd are both past presidents of Indiana Assn. of Insurance Agents.

Although a Republican governor was elected in Delaware, the office of insurance commissioner is not affected. That is also an elective office in Delaware but the term is different from that of

the governor. William R. Murphy, the present commissioner, was elected in 1951 and his term runs until January, 1955.

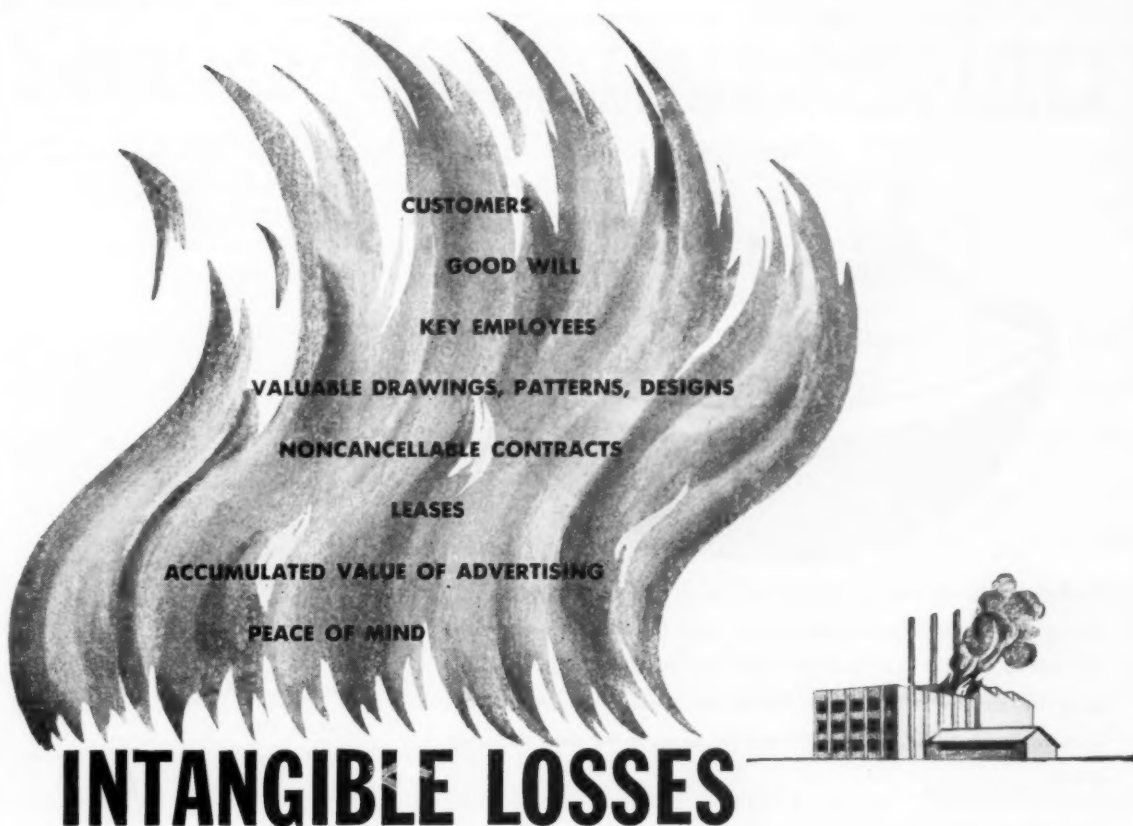
In Illinois a new name appears in the gossip on possible commissioner appointments by Gov. Elect Stratton to succeed J. Edward Day. Being mentioned is William P. Buchanan, local agent of Peoria. He was an original Stratton man and was active in the campaign. Others that are named in the speculation are Thor Wanless,

Springfield attorney; Marion Burks, Chicago attorney and former Illinois assistant insurance director; W. W. Hamilton, manager of Chicago Board of Underwriters, and Nellis Parkinson of Central Standard Life and former Illinois insurance director.

BOSTON—The possibility of Congressman Herter being elected as Massachusetts governor was regarded as so remote that very little attention was given before hand to who might be selected for insurance commissioner in

his administration. Hence there seem to be no informed guesses at this time on who may be named to succeed Dennis Sullivan. The latter's term expires April 7, 1953, but there has been talk that Gov. Dever may confer a judgeship on Mr. Sullivan, whereupon the governor would be in a position to name another commissioner to fill out the unexpired term.

The name of C. F. J. Harrington will undoubtedly be brought forward again. He was originally appointed by a Democrat but served under Republican ad-



INTANGIBLE LOSSES

can take a greater toll!

When a business suffers a serious fire, insurance usually compensates for the *tangible* losses. It's the *intangible* losses that really hurt—and fire records show that in many cases they take an even greater toll!

Intangible assets either cannot be or seldom are insured, yet they can go up in smoke just as easily as your tangible assets. Your surest protection against such losses is to safeguard your tangible assets against destruction by fire.

Thousands of concerns throughout the United States have taken this precautionary action through use of ADT Central Station Fire Protection Services to detect and report fires *automatically* before they can reach dangerous proportions.

May we explain how these services can be applied to protect your property and profits?

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Tri-State Annual Feb. 27-28

Tri-State Mutual Agents Assn. of Pennsylvania, Maryland and Delaware will hold its annual convention at Harrisburg Feb. 27-28.

Statistical

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go 6, Illinois

N. Vermilion St.
anville, Ill.

ministrations. Mr. Harrington is now executive vice-president of National Assn. of Casualty & Surety Agents.

HELENA—With only 112 precincts of Montana's 1,137 not reporting, John J. Holmes was assured of reelection as state auditor and ex-officio insurance commissioner. Mr. Holmes, who has been auditor and commissioner since 1933, has a substantial lead over Bruce O. Mefford of Missoula.

It appears certain that Montana will have a Republican-controlled legislature of 1953, with the governorship being won by the "Galloping Swede" from

the High Line, J. Hugo Aronson of Cut Bank, who served Glacier county in sessions of the Montana legislature since 1939. He defeated Democratic Governor John W. Bonner by over 5,000 votes.

Fugate Becomes Local Agent

Joe E. Fugate, formerly Iowa state agent for the Loyalty group, has opened a local agency at Des Moines.

E.U.A. Annual Dec. 10

Eastern Underwriters Assn. will hold its annual meeting Dec. 10 at New York.

This agent thought IT WAS "DUCK SOUP"



And so it was. He had a long list of friends and acquaintances . . . enough for a tidy little business. It was when the HCL hit him and he decided to expand that he discovered that "handling" insurance isn't quite the same as "selling" it. His friends hadn't asked him the questions his new prospects did. They hadn't seemed to make the same demands, either.

Our friend, being wise, did as smart agents all over the country are doing. He turned to Pearl American to help him service his clients. Pearl American's policy of complete cooperation, flexible company attitude, speedy service and information, is really making insurance selling "duck-soup" for the agents on our team. We'll be happy to have you with us.

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Bernhard Stresses Need for Uniform A. & H. Claim Forms

Frederick T. Bernhard, Home Life, president of International Claim Assn., reviewed the activities of that organization and stressed especially its work in developing simplified claim forms at the Nov. 12 meeting of the Chicago Claim Assn.

Many companies are still operating with claim forms that were, figuratively speaking, devised for the horse and buggy days, or in any event, for the depression period, Mr. Bernhard asserted. Too many companies are trying to make forms, and particularly those which must be completed by the doctors, do the work of investigators. There has now arisen an almost constant wail from the doctors about the length and number of forms which they must complete for insurance companies.

Forms Must Be Simplified

Mr. Bernhard said the A. & H. insurance business cannot afford to be acting or thinking on claims in terms of 20 or 30 years ago. He said there is no question in his mind that claims forms must be simplified, but this cannot be accomplished if each company feels it must have its own way about one thing or another. Committees of International Claim Assn. are working on the matter of simplified forms, and when their recommendations are approved by the executive committee they will be presented to the membership. At that time Mr. Bernhard urged that they be looked upon as forms that every company will adopt and use, and the effort be made to find a way to use them, rather than to bring up objections to them. Some company here or there may lose a little, but as a whole the business will gain if this simplification can be accomplished, he said.

Multiple Forms

Another claims and claims form problem is that of multiple sets of forms when there are several companies on one risk. Even if the form is simplified, it is troublesome and irritating for claimants and doctors to complete several sets. Once in a while a company will act on photographic copies of proofs to another company, but these cases are few and far between. Mr. Bernhard said this is a problem that the companies will have to solve.

Claim men, for the most part, are dealing with a "very special type of public," Mr. Bernhard remarked. Claimants are sick, lame, disabled, or otherwise handicapped, and they cannot be dealt with as if they were in normal circumstances. An extra effort must be put forth. Not all claims can be paid, but there is a big difference in the public relations results of how declination is handled. To the average claimant, the claim man is the company. The claimants generally are grumpy and easily dissatisfied, and the claim man must go out of his way to handle demands which can be taken care of with no more effort than a little extra time.

At the beginning of his address, Mr. Bernhard gave a comprehensive review of the origination of the claim association and of its present functions. He mentioned the work of the various committees, and some of the activities of I.C.A. in such projects as the Health Insurance Council and the various hospital admission plans.

Des Moines Club Elects

E. R. Fleschner, Fidelity & Casualty, has been elected president of Des Moines Casualty & Surety Club, succeeding Robert Cheesebro, American Surety. William Browne, Maryland Casualty was named 1st vice-president; Arthur Horka, Hartford Accident, 2nd vice-president, and Richard T. Johnson, secretary-treasurer.

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Reinsurance Problems of Installment and Annual Renewal Plans Discussed

Problems in connection with installment and annual renewal plans for paying term premiums, that show up in reinsurance transactions, were discussed by S. H. Gamble of Great American with members of Reins Club, New York City organization of men who place facultative and other reinsurance business there, at a dinner meeting.

Particular attention was paid the problem encountered when a company reinsures a contract under one of the two plans after the initial year of the contract. The question is whether or not the new reinsurer should not receive a portion of the first year's full annual premium from the old reinsurer. This seems only equitable, the discussion brought out. In Florida, the department has ruled that this is the way to do it.

Some Covers Not Bothered

Apparently this point does not arise in connection with excess of loss and catastrophe excess covers, but would with facultative and treaty.

The question of how to handle multiple peril dwelling business, which is subject to both pay plans, was raised and discussed but not answered. Here one puzzle will be how much of the package premium should be allocated to fire, extended coverage and additional E.C., in determining the reinsurance premium for those classes.

How long should daily reports be kept under annual renewal plans in case insured does not renew? One year or five—five in case insurer gets a claim after the insurance expires? There was divided opinion on this. Some felt the DR could be thrown away after one year, others that it would be safer to keep it five years.

Will reinsurers expect positive evidence of reinsurance each year of the annual renewal plan or will they reinsure automatically? This might be a problem principally on facultative. Perhaps the primary insurer could notify only if the contract is not renewed.

John Ross of Excess Underwriters, president of the group, presided.

Auto Material Damage Loss School Held at Los Angeles

LOS ANGELES—General Adjustment Bureau is holding an intensive training school in automobile material damage loss adjustment here, with 20 adjusters from branch offices in Arizona, Nevada and southern California in attendance. The school is under the direction of John W. Park, executive assistant, and Donald M. Irvin, automobile division manager.

Company men listed as speakers include Carl W. Bigge, Aetna Fire; C. E. Branson, Fire Association; S. H. Buchholz, Royal-Liverpool; J. R. Callahan and R. M. Christie, Home; Jack Cunningham, National Fire; W. W. Finke, Underwriters Salvage Co.; E. F. French, Fireman's Fund; R. Heber, Jr., America Fore; H. S. Jenkins and A. O. Knight, Premier; Claude Needham, Edward Brown & Sons; C. Schilling, Great American; W. A. Snare, National Automobile Theft Bureau, and C. M. Watson, Loyalty group.

Lorenzen Makes Change

Charles F. Lorenzen, Jr., is joining Illinois Appleton & Cox as fire underwriter. He has been with Stewart, Smith, (Ill.), Inc. He attended Duke university and then for three years was in the army

intelligence, becoming a major. For a time he had his own agency at Chicago before going with Stewart, Smith (Ill.), Inc., in 1950.

Lynch Adjustment Co. Adds Branch at Jacksonville, Ill.

Lynch Adjustment Co. with head office at Springfield, Ill., has opened a branch at 226 West State street, Jacksonville, Ill., with Al Pranske as manager. This office was previously known as D. G. Burton Adjustment Co. and was oper-

ated by the late D. G. Burton, who was an associate of Lynch Adjustment Co. Lynch Adjustment also has Illinois branches at Alton, Decatur, East St. Louis and Peoria.

Common Cause on Qualification

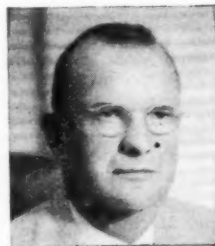
At the last directors' meeting of Tri-State Mutual Agents Assn. of Pennsylvania, Maryland and Delaware, E. Churchill Murray, Annapolis, chairman of the agents qualification committee of Maryland Assn. of Insurance Agents, discussed efforts his organization is

making to secure suitable qualification legislation for Maryland. Mr. Murray and W. Newton Jackson, Salisbury, Md., chairman of the legislation committee of the Tri-State, also have conferred on plans to get the support of both organizations for a bill to be presented at the next Maryland legislature.

Mothers and friends of members of Insurance Women of Racine, Wis., were entertained at the annual mother-daughter dinner. Miss Margaret Wernecke, gave a travelogue on "Making Friends with South Americans."

Service Built This Business

We reprint here what seems to us to be an extremely important statement by H. K. Dent, founder of this organization. It is taken from a message recently addressed to General Agents.



"Next to indemnity comes service, especially claims service. In spite of all our advantages, we feel our claims service

has had more to do with our rapid growth than anything else. At the first meeting of stockholders, even before the Company was operating, I told them that the business of insurance was hazardous, that it might be possible for the Company to lose its entire capital and surplus and the stockholders could be called upon for their legal liability. Further, they might even be called upon for moral liability in excess of their legal liability, but that *no policyholder would ever lose one dollar by insuring in the GENERAL*, that it would be our purpose to give the best and most equitable and prompt claims service available.

Both of these statements were applauded.

"We have repeatedly told our adjusters that we would discharge a man for deliberately underpaying a claim as quickly as we would for deliberately overpaying it, that we wanted every claim settled promptly and equitably.

"Being an independent or Non-Board company, we are not bound by rules and can give the service we feel merited. Back in the depression days, when the going was tough and people needed money quickly, and when all member companies were compelled by the Board to take sixty days for the payment of all losses over \$500, the GENERAL AMERICA COMPANIES continued their custom of paying losses within twenty-four hours from the time proof was received. *When better claims service is available, the GENERAL will give it!*"



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Mutual Benefit H. & A. Now Owns 2/3 Control of United Benefit Life

Purchase of approximately two-thirds of the stock of United Benefit Life of Omaha as a legal investment by Mutual Benefit H. & A., according to the terms of the decree handed down by District Court Judge Jackson B. Chase in Omaha, has been completed.

According to V. J. Skutt, president

of Mutual Benefit, the purchase of part of United's stock is a part of the long-range expansion program of the two companies.

La. Commission Rule Allows for Classifying Agents

The commission law of Louisiana to which attention is directed by reason of the fact that Eastern Underwriters Assn. is sparking a study of possible legislation on the regulation of commissions, is

looked upon by some in that state as merely serving the purpose to provide a record or statement that the insurer is complying with the requirement that all agents of a similar class receive the same commission. The fire companies are required to file with the fire division of the insurance department, the commission that is paid to agents. Commission is defined as all compensation which would include contingent payments, etc. In the administration of the law it is held that classes of agents can be established by premium volume and/or loss ratio.

In New Jersey where there is a requirement for uniformity in premium payments to agents, there has been established no such authority for classifying agents.

Electronics for Insurer Uses a Practical Reality

In his talk at the conference of Insurance Accountants Assn. James W. Braisie, sales manager of the insurance records department of Remington-Rand, said that three new Univacs are being constructed, one for an insurer. He estimates that more than 200 insurers have attended the seminars conducted by Remington-Rand for users and prospective users.

He thinks the electronic device can at the outset take over all jobs and reports now on punch cards. From that beginning the process can be refined so as to improve many of the operations. Then he believes the device can be made practical for performing operations now impractical from a punch card standpoint, such as rating, underwriting, detail line and insured records, etc.

Don't Need Special Machine

A special type of electronic machine need not be developed for insurers, he said. No two fire insurers have the same system now. Remington-Rand can adjust and reorganize procedures to suit each individual company, but it would be ridiculous and the cost prohibitive to expect to build hundreds of different electronic devices to meet the needs of each company. He said those in his company know the insurance business' requirements and can apply the electronic equipment to insurance operations.

It is understood the cost of a Univac is about \$500,000 plus another \$500,000 for accessories.

Robert Mattlin, curator of Hogle zoo at Salt Lake City, gave a talk with live samples on reptiles at the luncheon meeting of Utah Blue Goose. Ten new candidates were elected to receive their first swim at the ceremonial Dec. 1.

Michigan Mutual Agents Elect Keyser President

DETROIT—John Keyser, Kalamazoo, was elected president of Michigan Assn. of Mutual Insurance Agents at the annual meeting here Nov. 6-7. About 250 agents and guests registered. Vice-president is Eldon Smith, Benton Harbor; secretary, Lewis J. Carter, Elsie, and treasurer, Fred Stringham, Lansing.

Among the new ideas advanced at the meeting was the novel agreement used by Citizens Mutual Automobile of Howell, as explained by Berthold Woodhams, its president, under which sons and daughters of insured motorists formally agree, on their honor, in a pact with their fathers, to observe the traffic laws and rules of the road in their operation of the insured cars. The agreement is said to have proved fairly effective in reducing accidents among youthful drivers.

William Jamieson, counsel for Auto-Owners, Lansing, warned the agents in a panel discussion with Bob Crawford, Ann Arbor agent, against any practices in counseling assured which might be construed as engaging in unauthorized law practice. He said most lawyers are alerted to this problem, which arises in a number of other fields, and that agents should be meticulously careful to refer their assured to an attorney for advice whenever a legal point is raised in connection with coverage.

Waldo O. Hildebrand, Lansing, secretary-manager of Michigan Assn. of Insurance Agents, emphasized the importance of the "grass roots approach" in solving most insurance problems. He cited the vital function of his own office in preventing enactment of unfair laws.

Ron DeKuiper, Fremont, outlined some time-saving ideas in office procedure, including use of a standardized application form and placing of files near the desk of the employee using them most often and also near a phone.

Commissioner Navarre, the banquet speaker, complimented the association for its notable growth.

E. B. Kelley Heads U. S. Plywood's Insurance Unit

Everett B. Kelley has joined United States Plywood Corp. as insurance manager. He is president of the New York chapter of National Insurance Buyers Assn. and in May was chairman of the American Management Assn. insurance conference at New York. For six years Mr. Kelley has been insurance consultant with Ebasco Services, Inc.

He began his career in insurance with Electric Bond & Share Co. in 1929. Since then, he has been with S. B. Penick & Co., National Fire, Penn-Western Service Corp., Best Foods Co. and Royal-Liverpool.

Marine Courses at L. A.

LOS ANGELES—Marine Underwriters of Southern California will conduct two educational courses this fall and winter, one for new employees and the other course in the form of seminars for members only, devoted to discussion of underwriting and marine problems.

George Mohr of Johnson & Higgins, who was a passenger on the "Princess Kathleen" which stranded and sank recently in Alaskan waters, gave a graphic description of the event, and the causes of the loss.

Fewer Ohio Agent Legislators

According to the returns available, there will not be so many insurance agents in the Ohio legislature next year as in previous years. Returns indicate that the following have been elected: Senate, Theodore M. Gray, Jr., Piqua; Tom V. Moorehead, Zanesville; Ralph L. Humphrey, Ashtabula; house, J. Frank McClure, Loudonville; Dean M. Hickson, Lancaster; Arthur H. Milleson, Freepoint; Rolland Bright, Logan; Thomas J. Barrett, Youngstown. Several insurance men who were candidates were defeated.

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Brokers Hear Review of Cal. Legislative Outlook

LOS ANGELES—At the fall dinner meeting of the southern California district of Insurance Brokers Exchange of California, Executive Secretary John H. Derrough in reviewing the legislative outlook mentioned the compulsory automobile insurance bill that is likely to come up, and said the exchange should help defeat the measure. He told of the certificate of convenience situation and laid particular stress on the group insurance outlook, particularly as to control of dividends and the safety program. He came out strongly for opposition to the proposed comparative negligence measure.

President Albert A. De Voto said the commission problem should be solved on a state level basis through legislation and that brokers should be considered in handling the matter.

James E. Crilley, Jr., Atlantic Mutual, spoke on inland marine. He said one-eighth of inland marine premiums in California are on personal property floaters and that 50% of that total is in Los Angeles county; that 23½% of all inland marine lines are in California and 50% of these in Los Angeles. California, he declared, now is the leader in multiple line writing.

N.Y. Police Captain Joins Babaco Alarm Unit

Former New York City Police Captain H. Conrad Lueck has been placed in charge of the investigating and loss prevention activities of the Cargo Protection Bureau, according to Jack Seide, president of Babaco Alarm Systems, sponsors of C.C.P.I. which serves the truck transportation industry.

C.P.I. now will provide truckers free counseling on theft prevention by an expert. Capt. Lueck will give counsel on proper security for keys, knowing employees, effective use of burglar alarm equipment and other protective devices, checking receipts and safe handling of packages.

For the past six years, Capt. Lueck was in complete charge of the New York police department's photographic bureau. He is a lecturer on fingerprinting, identification and photography in crime prevention and detection.

A.F.I.A. Opens L. A. Office

American Foreign Insurance Assn. has opened a new service and production office at Los Angeles, with Robert J. Deckard, Jr., as manager.

Mr. Deckard was graduated in 1940 from Purdue and was with American Mutual Liability at Boston, Chicago, Denver and Omaha from 1940 to 1951 when he went with Johnson & Higgins of California as accounts representative in the casualty department. Last July he joined the San Francisco branch of A.F.I.A., later visiting New York for several weeks of training.

McMahon Goes with Spurl

Thomas F. McMahon, manager of the New Orleans service office of North America since 1947 has resigned to go with C. A. Spurl & Co., brokers and average adjusters at New Orleans, as a vice-president and director.

He has been with North America since graduation from Notre Dame in 1929, serving at Cleveland, Minneapolis

and Cincinnati before going to New Orleans.

Spurl & Co. recently celebrated its 50th anniversary.

J. Penn Vickers succeeds Mr. McMahon as New Orleans manager of North America.

He is a graduate of University of Virginia and started with that company in 1930 at the home office. Later he served as a marine specialist at Philadelphia, Richmond and Pittsburgh before going to Dallas, where has been assistant manager for four years. He is a navy veteran.

Tex. W.C. Rates Increased on the Average 17.9%

The Texas department has promulgated an increase of 17.9% in workmen's compensation average manual rates to be effective Dec. 1.

This level contemplates that the shift from a weekly payroll limitation of \$100 to one of \$200 per employee, thus enabling insurers to collect additional premium in certain high wage—high hazard industries, is equivalent to the difference between the 17.9% and the 19.9% recommended by the National Council on Compensation Insurance. The 19.9% proposal had been made with the understanding that statistical data would be gathered by the board to measure the necessary offset, on the average, to the additional premium which would be developed by allowing rates to be applied to, in some instances, double the payroll which, up to a year ago, had been used as a rate-base.

The department made clear that the Dec. 1 effective date was to be considered a permanent annual date unless some newly developed "method can be found to make revised rates effective at a date even closer to the experience period."

B. W. Wick to Royal

Royal Exchange has appointed B. William Wick special agent in western Pennsylvania and West Virginia with headquarters at Pittsburgh. He succeeds Irvin Wetzel who is returning to the head office at New York. He was an air force pilot in the last war and then attended the Zurich insurance school at Pittsburgh. He has been for the past several years with the Pittsburgh agency of McCloskey & O'Neil.

Give Arson Courses in N. C.

RALEIGH, N. C.—The course in arson investigation given last week by the North Carolina department and the Institute of Government was so successful that Deputy Commissioner Charles W. Lewis says another course will be given next year.

Seven or eight regional courses also are planned, offering six hours of instruction in a one-day school to be given in cities throughout the state.

900 Binders Insured

WASHINGTON — Under the government's marine war risk program, about 900 binders are being issued by the maritime administration on some 300 ships. Generally speaking, there are three for each ship — hull, crew and P. & I.

These binders become effective if and when commercial marine war risk clauses are canceled by reason of hostilities between the four great powers.



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NO JOY AHEAD

Auto May Be Out of Red in '53—Problems Will Go On

NEW YORK — Automobile third party coverages are now improving for the first time since late 1950. The complexion of several key factors is altering, and it is considered probable that rates will have caught up with experience in many territories by some time next year.

This will be a development of the utmost importance. But it will leave many problems in this field unsolved, and it will create new ones. Premiums will be high, intensifying and multiplying competitive difficulties. The demand for 100% insurance will go on. There will continue to be almost intolerable

congestion of highways, a horrifying number of traffic accidents, the tragic inability of courts in many places to keep up with calendars. Verdicts will be high, though perhaps there will not be so many, and some will be spectacular.

For the regular agency company it will become increasingly hard to attract choice business and retain what it has of that kind. Its agents, plagued for a couple of years with placement troubles will be plagued with loss of business to companies charging less.

Already those with the responsibility of planning ahead in rates, sales, etc.,

are assaying the problems which will arise in a period of energetic competition for automobile premiums.

The sky is not yet full of sunshine. In some territories rates have not caught up with experience; in a few they are way behind. Companies in the black for the year or whose position is substantially improved can credit in part their action last year in increasing reserves on outstanding cases. Thus the brightening process is only beginning. A few companies are slightly in the black for the first nine months. Cases are being settled for less than the asking price—not so many are being taken to court. The total number of third party claims of all kinds is slightly receding, rather than, as it has been doing for so long, steadily climbing.

What now seems to be occurring is that experience is "holding still" long enough for rates to catch up with it, at least in the foreseeable future. Perhaps by mid-1953 the worst will be over, and the competitive drive for automobile business will be on.

Pressure Will Continue

But the business still faces the prospect of continuing pressures, many of them political, because premiums will level off, when they do, at a high point. So long as the automobile premium each year runs the owner \$75 and up, these pressures are apt to continue unabated.

In the heavy legislative season directly ahead, there will be attempts in several states to secure compulsory automobile legislation to achieve liquidation of the economic loss from accidents caused by all automobiles. Among members of the public there is some confusion, that compulsory in some way will alleviate the burden of high premiums. This is, of course, not the case; 100% insurance is an auxiliary problem which is apt to continue bothersome until some satisfactory solution is found—until there is in effect 100% insurance. The only place where the two problems overlap is that high verdicts and the generally increasing costs of bodily injury and death make both problems more acute.

Undoubtedly demands will continue, perhaps increase, for recognition of the safe driver in the rates; for high limits in assigned risk plans, etc.

Will Solve Market Problem

About the only thing that rates catching up with experience will accomplish is a solution to the market problem. That problem already has eased somewhat, for example, in metropolitan New York, where it has been so bad, according to brokers themselves, who are now losing more and more business to direct writers. In a spot or two, assignment of risks is declining.

But once rates are producing enough money to cope with experience, the regular agency companies and their agents will face very tough competition from specialty companies. Leaders in the business are deeply concerned over the

(CONTINUED ON PAGE 19)

Ohio Teachers' Attitude on Insurance Courses Surveyed

A survey has been conducted by Ohio State University as to the extent of, and teacher-principal attitude toward, insurance education in the high schools of Ohio. The work was done under the supervision of Stanley Sokolik, a graduate student at the university. It was found that 90% of all the secondary schools teach insurance in some form. This is true of 97% of the schools in city districts, but only 87% of the county schools. Some of the courses in which insurance is taught are business or general mathematics, business law, general business, economics, and family welfare courses.

While only 61% of the teachers now include insurance instruction in any of their courses, 92% feel that it should be included as a part of other courses and but 6% feel that insurance should be covered as a separate course. Only 2% feel that insurance should not be included at all and that is the attitude of 1% of the principals who answered the questionnaire. Responses to the questionnaire indicate the desirability and feasibility of an effective educational program at the high school level.

First N.I.B.A. Session

National Insurance Buyers Assn. held its first membership meeting since organization at a luncheon at Chicago Wednesday, this being on the eve of the insurance division gathering of American Management Assn. there. Harry E. Goodell, Western Electric, New York, the president, presided, while arrangements were in the hands of Peter Burke, the managing director.

Elected as directors were: Kenneth A. Bong, International Milling, Minneapolis; Ray S. Bass, A. E. Staley Co., Decatur, Ill.; John Benson, Tennessee Gas Transmission, Houston; John F. Burke, Coast Service Co., San Francisco; T. V. Murphy, Maryland Dry Dock Co.; R. B. Gallagher, Philco Corp., Philadelphia; R. O. Garvin, Security First National Bank, Los Angeles; L. M. Van Deusen, California & Hawaii Sugar Refining, San Francisco; L. H. Wiggers, Procter & Gamble; Paul Schindler, Youngstown Sheet & Tube; George E. Rogers, Robert Gair Co.; Frazier Wilson, United Air Lines; Merritt C. Schwenk, Fruehauf Trailer; Mr. Goodell and Peter Burke.

Krill Takes Montana Post

Wallace L. Krill, special agent at Seattle of Aetna Fire, has been appointed superintendent of agencies in Montana. He replaces Robert D. Mohlere, resigned.

Mr. Krill joined the Pacific department of Aetna Fire in 1946 and served at San Francisco before becoming special agent in Washington. In his new position he will make his headquarters at Great Falls, Mont.

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Ben Jack Cage Gets the Time Magazine Treatment

Ben Jack Cage, who is cutting quite a swath with his Insurance Company of Texas, Life Ins. Co. of Texas and related enterprises, is the subject of a Time Magazine sketch in its Nov. 10 edition. As usual, in these Time business men stories, the subject can't be sure whether he has been buttered up or taken apart. The excuse for the article is the fact that Mr. Cage is raising his capital mainly by selling stock to union members and is making a strong bid for union patronage. Mr. Cage was quoted as saying at a special meeting of stockholders the other day that "the farmer that buys a hog proceeds to fatten him up and it's the same with this insurance company. We've got to fatten this company." According to Time, the "union capitalists" promptly approved his plan to establish union-owned insurance companies in most of the states and put up a million dollar building in Dallas. Reference is made to the fact that he established two companies in Alabama and is negotiating to do likewise in Rhode Island and Oregon. But then Time, as usual, injects the needle by saying "in all the companies Cage does not forget Cage. He gets a

15% cut of the premiums for managing them." Also Time likens him to Billy Sunday in his "showmanship and fervor." Time says he has 200,000 aluminum coins with the Lord's Prayer on one side and a Bible text on the other and passes them out on all sides. He said he is going to get an airplane and go around the country for two years "plugging union-owned insurance companies under Ben Jack Cage management."

Louisiana Field Men Elect J. J. Howe President

Louisiana Fieldmen's Assn. at its annual meeting at New Orleans elected James J. Howe, A. H. Turner general agency, president, to succeed A. P. Cunningham, Jr., Audobon, Baton Rouge. Sam G. Peters, London & Lancashire, is vice-president; Frank J. Graf, Henry A. Steckler Co., secretary, and Charles W. Blackstock, Northern of England, chairman executive committee. New members of that committee are Garner J. Knoepfler, Phoenix of Hartford, and Ted E. Patterson, America Fore.

Inspection Work Reviewed

Mr. Patterson reported for the fire prevention committee, reviewing the inspection of Plaquemine and stating that Lake Charles is next on the list; Mr. Knoepfler for the public relations committee and W. E. Allen for the loss committee.

Mr. Cunningham was presented a plaque and a desk electric clock.

Three Gain Conn. Seats

Franklin G. Brown, attorney of the law department, and Erskine E. Hamilton supply department of Travelers, were among the insurance men elected to the Connecticut legislature Nov. 4. Stanley F. Withe, manager of advertising and publicity of Aetna Casualty, also won a seat.

Buyers to Hear Kellogg

The New York chapter of National Insurance Buyers Assn. at its Nov. 20 meeting will hear Chester M. Kellogg, vice-president of Alfred M. Best Co., discuss pitfalls of financial statements.

Self-Insurers Meet Dec. 11

The annual meeting and dinner of Self-Insurers Assn. will be held at New York Dec. 11. C. F. Smythe, New York Telephone Co., is chairman.

Decisions during the past year under the New York workmen's compensation law will be reviewed by Paul D. Williams, attorney of Buffalo; the functions of the department of commerce in New York State by Harold Keller, commissioner of commerce of the state; claims procedure under the state W.C. act by Samuel Kaltman of Aetna Casualty; evaluating disabilities as a result of silicosis under the W.C. law by Dr. George W. Wright of Trudeau Foundation, Saranac Lake, and effects of federal compensation acts by Lea P. Warner, Jr., of the Warner Co., Philadelphia.

Western Adjustment Shifts

G. V. Kaja, formerly with Western Adjustment at Topeka, has been transferred to Milwaukee as inland marine supervisor. William B. Beeson, formerly of Dubuque, Ia., has been transferred to Topeka. He is a son of Elwood W. Beeson, for many years manager at Parsons, Kan. R. J. Gordon has been transferred from Pittsburg, Kan., to Colby.

Donald Doyle, Oakland agent, long active in both Oakland Assn. of Insurance Agents and the state association, has been elected to the California assembly in strong Democratic territory. He was the only Republican in the district to win.

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AUTOMOBILE LAWS in foreign countries frequently are strange indeed. Some countries prevent motorists from entering until they have complied with local laws. Others hold certain types of serious accidents to be crimes. And when one is found guilty, the verdict usually is accepted as proof of liability in any civil suit for damages that follows.

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Several Multiple Cover Changes Recommended

Multiple Location Service Office has recommended to rating bureaus several changes in the March 1951, edition of its coverages. Many bureaus have adopted the changes, some of which are editorial.

A debris removal endorsement is provided for the first time, which may be attached to multiple location forms without charge. Heretofore the cover was not permitted with such forms. However, many bureaus have adopted rules and endorsements to provide the cover in non-M. L. forms.

In connection with the market value clauses for distilled spirits, wines and other than distilled spirits or wines the recommendation is to change the present phrase, "less all discounts and charges," to "less all discounts and unincurred expenses." Since a new market value clause for wines has been adopted by Pacific Fire Rating Bureau for use with specific forms, M.S.L.O. recommends a change that brings its clause into concurrency.

A change on lumber risks makes it clear that when a clear space warranty is required on a policy covering lumber yards, the coverage is deleted for property in the clear space and in wood-working buildings, mandatorily. Word changes make clear that coverage in cars, vehicles or in the open do not extend the cover beyond 100 feet of the buildings described, even if water borne.

Virginia Puts Retaliatory Blocks to R. I. Insurers

RICHMOND—Two Rhode Island insurance companies have become involved in a retaliatory situation. They have been ordered to appear at public hearings here in January on complaints that they have failed to file adequate securities in Virginia. They are Equitable Fire & Marine of the Phoenix of Hartford group and Pawtucket Mutual. Virginia State Corporation Commission ordered a hearing for Equitable Jan. 6 and for Pawtucket on Jan. 13.

The complaints grew out of a requirement by the Rhode Island commissioner that American Fidelity & Casualty of Richmond deposit a total of \$100,000 with the commissioner under a trust agreement.

Under the "retaliatory" statute, if a Virginia company is required to deposit, under the laws of another State, an amount greater than Virginia requires of the companies in that State, then those companies must deposit a like amount in Virginia.

American Fidelity and Casualty had \$10,000 on deposit in Rhode Island, but the insurance commissioner required \$90,000 more. The Rhode Island concerns operating in Virginia had \$10,000 each deposited here, but had failed to increase their deposits by the \$90,000 ordered of the Virginia company.

Collins Denny, Jr., counsel for Equitable voiced the opinion the Virginia retaliatory statute does not apply in this case. He noted that the Virginia concern was ordered to make the additional deposit under a trust agreement and not under statute.

The state law, he said, includes the phrase, "if by the laws of another state." He said Equitable took the position the deposit required of the Virginia company did not fall under Rhode Island law.

Hold Parley on A. & B. Forms

A discussion of home owners policies A and B is being sponsored by Insurance Society of Philadelphia at the North America auditorium Nov. 19.

N. Y. Brokers Make Protest

Broker Associations Joint Council of New York has questioned the advisability of the requirements of a supplementary information blank now in use in connection with automobile liability insurance by Royal Indemnity, Great

American Indemnity, American Surety, America Fore, and Indemnity of North America. The brokers say this creates a big increase in work for the broker in attempting to secure even a binder.

R. D. Miller Makes Change

Robert D. Miller has joined Pioneer National Casualty of Des Moines in a supervisory capacity. He has been with Mutual Fire & Automobile of Cedar Rapids.

Miller Opens St. Paul Unit

The J. T. Miller Co. general agency of Minneapolis has opened an office at 340 Robert street, St. Paul. Robert Miller, who has been with his father since leaving the navy in 1946, is in charge of the new office. Also associated with Mr. Miller, who started the agency in 1926, are his other sons, John and Jerrold.

The Wichita city commission has passed the model fireworks ordinance. Efforts will be made to secure a state law at the 1953 Kansas legislature.

Three Great American field men who are retiring were entertained at a dinner at Chicago Wednesday by western department officials, they being Howard Henry and George Fagan of Kansas City whose retirement date is Jan. 1 and Earl Roberts of South Dakota who retired Nov. 1.

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NEWS OF FIELD MEN

Illinois Blue Goose Rally Draws 140

One of the largest candidate classes ever was initiated at the fall meeting at Chicago of Illinois Blue Goose. Attendance was about 140 and there were 29 goslings who took their first flight.

Lloyd J. Eppler, Cook County manager of Loyalty group, presented life membership certificates to four retired ganders. They were W. G. Shipe, New



The new life members are shown, from left: Daniel J. Harrigan, St. Paul F. & M.; Ross J. Harmon, Home; P. C. Metzger, London & Lancashire, and W. G. Shipe, New Hampshire Fire. Photo by Richard M. Hubbell, assistant manager of National Inspection Co.

Hampshire Fire; D. J. Harrigan, St. Paul F. & M.; P. C. Metzger, London & Lancashire, and R. J. Harmon, Home.

Arthur L. Corey, Travelers, delivered the admonition, and Mr. Harrigan the charge. This is a task Mr. Harrigan has been performing for many years, and he does it in a manner that has made this one of the most impressive parts of the initiation ceremony.

The banquet speaker was Tom Dugan, television and radio sportscaster.

John C. Slade Returns to K. C. F. & M.: Ill. State Agent

John C. Slade, formerly with Kansas City Fire & Marine for 17 years, and later with Dubuque F. & M. and American, has rejoined Kansas City F. & M. as state agent for northern Illinois with headquarters at Rockford.

After resigning in 1948 as Iowa state agent of Kansas City F. & M., Mr. Slade went with Dubuque at the home office. Several years ago he moved to Rockford as an underwriter in the western department of American. He is an army veteran of the last war.

Rocky Mountain Men Elect

At the annual meeting of Rocky Mountain Field Club at Denver, these officers were elected: President, A. T. Cabell, Northern Assurance; vice-president, W. T. Ferry, North British; 2nd vice-president, William Johnson, Phoenix of Hartford, Albuquerque; secretary, Ralph Timmermans, Wilcox General Agency; governing committee, E. M. Craft, Standard, Main & Brewster; Charles H. Jones, Interstate agency, and Charles S. Houseman, American.

Maine Club Hears Jamison

A discussion of the manufacturers output and homeowners comprehensive policies by Norman Jamison, Employers group, featured the November meeting at Portland, Me., of Pine Tree State Field Club.

A. W. Anderson, Royal-Liverpool, president, reported on a meeting with Clyde T. Congdon, Brunswick, chairman

of the executive committee of Maine Assn. of Insurance Agents which discussed the possibility of establishing a closer working arrangement between the associations.

I.F.U.A. Rejuvenates Its Public Relations

A rejuvenated public relations program for Illinois Fire Underwriters Assn. was introduced at the quarterly meeting at Chicago attended more than 125 members, including 25 company managers.

Momentum for the new program was provided by R. K. Johnson of Aetna, past president of the association.

It will be given guidance by David E. Larson, Illinois manager of Home at Peoria, public relations chairman, and Vincent D. Mooney, state agent for London Assurance at Chicago.

Walter Dithmer, assistant manager of Western Underwriters Assn., covered the advantages of public relations in the principal address that preceded

films on "I Take Risks," and "Introducing the Policymen." The former is a new project of W.U.A. and made a particular hit with the field men.

The association will present its new public relations plaque each six months to stimulate the activity among members.

A monthly public relations bulletin, as yet unnamed, will also be introduced. Whoever selects the title will receive a \$25 defense savings bond.

Benner to Funkhouser-Moore

Max L. Benner, formerly state agent for the Loyalty group in central and southern Illinois, has joined the Funkhouser-Moore Co. general agency of Springfield as state agent for Illinois.

Flock Hears Navy Man

Commander Horace Stevens of the navy spoke on "Push Button Warfare" at the Nov. 10 meeting of the San Francisco Blue Goose. The luncheon was sponsored by American Foreign Insurance Assn., and Allan L. Pither, manager, presided.

Indiana Fire Prevention Assn. will inspect Rushville Dec. 2.

Dickehut to Founders in Texas

Founders has appointed Frank Y. Dickehut as special agent in west Texas with headquarters in the Lubbock National Bank building at Lubbock. He was formerly in the Texas Insurance Checking Office and more recently has been in field work.

Mountain Field Club Meeting

Mountain Field Club will meet Nov. 24 at Manchester (N.H.) country club. A representative of New Hampshire Board of Underwriters will be the speaker.

Harry B. Brown, Northwestern National state agent, Wichita, is nursing a broken thumb and other bruises following a fall down the basement stairs at his home.

St. Louis Blue Goose had the ladies as guests at the luncheon of Nov. 10. Dr. Leigh Gerdine of Washington University spoke on "Educational Television."

Poplar Bluff will be inspected Nov. 19 and 20 by Missouri Fire Prevention Assn.

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NEW YORK

SMITH AND KNAPP MANAGERS

New York Fire Insurance Rating
Org. has appointed Kenneth O. Smith
acting manager and Robert D. Knapp
assistant manager of the New York
City Division.

Mr. Smith will be acting manager
during Manager Donovan's convales-
cence from the illness which has kept
him confined to his home during recent
months. Upon Mr. Donovan's return,
Mr. Smith will resume his duties in
the central office.

Mr. Knapp joined the organization
in 1929 and has been continuously em-
ployed in the New York City division
since that time.

NOLAN TO SPEAK AT JAMAICA

William F. Nolan, assistant manager
automobile division of National Bureau
of Casualty Underwriters, will speak at
the meeting of Insurance Agents Assn.
of Queens County Nov. 20 at Jamaica,
Long Island, N. Y.

Mr. Nolan will be prepared to con-
duct a question and answer period at
the close of his talk, which is on the
new preferred risk rating application.

NORTHERN ADDS SPACE

Northern of New York has pur-
chased the four-story building at 81
Maiden Lane, next door to its present
head office at 83 Maiden Lane, and
will incorporate it into its present space.

AUTO CLAIMS LUNCH

Automobile Claims Assn. met Thurs-
day in New York City. Robert T. Con-
way, St. Paul; Joseph P. Smith, Providence
Washington, and Wayne T. Ash,
Glens Falls, are new members.

WIND RECOGNIZED

The number and dollar volume of
windstorm losses in New York board
territory have become so large that that
organization in its statement of losses
assigned to committee, which it pub-
lishes month to month, is now having a
breakdown of fire, extended coverage
and sprinkler leakage. For September
the fire losses numbered 244 for \$1-
626,960; E.C., 1,033 for \$262,980 and
sprinkler leakage, 3 for \$900. The aggregate
represented an increase of 164.5%
in number and 2.9% in amount over
September, 1931. For the nine months
the total was 8,582 for \$19,100,980, up
75.9% in number and 40.7% in amount.

Kansas City F. & M. Nine Months Results Are Good

Net premiums written by Kansas City
Fire & Marine totaled \$8,360,530 for the
first nine months of this year which is
an increase of nearly 22%. There was
an increase of \$724,248 in premium re-
serve, the loss and loss expense ratio
on an earned and incurred basis was 59
for the nine months as against 61.02 last
year, the expense ratio was 36.32 as
against 39.62. The assets at Sept. 30
were \$9,019,297 as against \$7,981,056 at
Dec. 31 and policyholders' surplus was
\$2,783,509 which was only about \$6,000
less than the year end figure despite the
heavy increase in premium reserve.
There is an underwriting profit of \$98,095
for the nine months which compares
with a loss of \$8,967 last year.

Robert M. McKenna, with U. S. F
& G. at Milwaukee since returning from
military service in 1946, has gone with
the Murphy agency at Green Bay, Wis.,
specializing in casualty and bond busi-
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Auto Outlook Better; Problems Continue

(CONTINUED FROM PAGE 14)

possibilities here. Organization companies have taken a lot of punishment, they have made major concessions, taken all kinds of business, lost all kinds of money. It is pointed out that they have kept the situation from blowing sky high.

The whole question of the distribution of good and bad business is expected to revive, but this time more significantly. Can this distribution be accomplished satisfactorily under a rate regulation that permits variation in rate making factors and widely differing underwriting standards? Can the agency company that takes business across the board compete with the insurer that takes only the choice business, that underwrites closely and cancels in case of accident but that attracts more and more of the "accident free" risks with a substantial deviation? Under modern rate regula-

tion how long will other business be allowed to run sweet enough to offset narrow or no margin in automobile casualty?

If all companies wrote this business to the same underwriting standard, say, that of the strictest large writer of the line, wouldn't the assigned risk plan become swamped and ineffective for its purpose? It might then be replaced by a state fund.

Unquestionably a more equitable distribution of poor risks among insurers will have to come, by plan or forced by circumstances, in a day when by law practically 100% of the auto population is insured.

Attempts will be made, undoubtedly, by regular agency companies to attract and hold good risks, for example by refining classification to reflect in superior rates the superior drivers, those who drive less than 5,000 miles a year, say, or do not use their automobiles to and from work, etc. Rates will be adjusted quickly, probably a little beyond indications, a trend influence on the decline. Perhaps the young driver who takes a training course in high school can be removed from class 2.

If such steps do not serve the purpose of giving agency companies volume and quantity, they can be expected to take others.

Insurers that have lost money on automobile cannot expect to hold business on the credit of having written it in tough times. Now that the automobile premium is \$100 in many places, everyone, rich and poor alike, is interested in saving 10 to 20%. With high prices and high taxes, all are looking for more money to spend, and \$10 to \$20 is spending money. People will go to some trouble to pick it up via a saving in auto premium.

This represents a change from 15 years ago when the automobile liability premium was \$30 to \$40, 10 to 20% amounted to \$3-\$4 to \$6-\$8, and many insured did not take the trouble entailed in saving it; or they may well have believed the services of the multiple-company agency was worth the difference.

Many observers believe that the specialty companies, particularly the large ones that have grown so much during the swift rise in rates and expansion in automobile population of recent years, will tend to get larger; that they not only have a great share of the most desirable business today, but that they can get what additional business they want and it will be hard to take it away from them.

They point out for illustration that Farm Bureau wrote \$26,743,982 in net premiums in 1947 and \$68,092,738 in 1951; State Farm wrote \$72,851,224 in 1947 and \$113,560,461 in 1951, and Allstate wrote \$19,907,831 in 1947 and \$75,036,274 in 1951. This is an increase on the aggregate from \$119,503,037 to \$256,689,473 at the end of 1952. The 1952 figures will be even more impressive.

Cream and Garbage

As one company executive put it, the specialty companies are syphoning off the cream and the agency companies that write across the board are left with the garbage.

The agent's position in the era of renewed competition, when that begins, in some respects will be less favorable than it is today. During the present era of tight market, not all agents by any means have had serious difficulties in placing business. Perhaps most agents across the country have had neither the same kind or same volume of troubles that producers have had in Massachusetts, New York metropolitan, and a few other areas.

But when competition becomes really keen, practically all agents are going to feel the sharp teeth for business by the specialty companies that deviate. Some agents have felt it right along. Undoubtedly there will be more such specialty insurers.



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Western Department of prominent group with
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Watch Committee
Changes in Congress

(CONTINUED FROM PAGE 1)

Rep. Wolverton, New Jersey. Crosser
has sponsored important railroad retire-
ment legislation, which his committee
has developed. There are some who are
still advocating repeal of the Crosser
legislation which provided a measure of
government disability protection in the
railroad retirement scheme.

On the Senate side, railroad retirement
is handled by the committee on labor
and public welfare. Senator Taft, Ohio,
is scheduled to succeed Murray, Mon-
tana, as its chairman.

Last Congress set up a joint commit-
tee on railroad retirement, which Senator
Douglas, Illinois Democrat, has headed.
If this committee is continued next Con-
gress, a Republican will succeed him.

Another joint committee—on the econ-
omic report of the President—will
probably be headed in the next Congress
by Senator Taft, who held that chair-
manship in the last Republican Congress.
He would succeed Senator O'Mahoney,
Wyoming, who went down to defeat in
the Eisenhower landslide. This joint
committee has made extensive studies of
banking, insurance, financing, inflation,
social security and other matters.

O'Mahoney spark-plugged congress-
sional hearings on insurance with rela-
tion to the anti-trust laws several years
ago, following the S.E.U.A. decision.
Prior to that he had sponsored legisla-
tion to create the temporary national
economic commission. Under his chair-
manship, it studied life insurance in-
dustry activities and investments, held
hearings on the subject and devoted a
portion of its report to matters involved.

New Merchant Marine Chairman

Rep. Hart, New Jersey, will be suc-
ceeded by Rep. Weichel, Ohio, as chair-
man of the House merchant marine com-
mittee. The latter has vigorously criti-
cized the maritime commission and mari-
time administration for their record on
marine insurance. He took exception to
the act to authorize a government mari-
ne war risk program, which was re-
cently outlined by the Commerce De-
partment.

Rep. Rogers, veteran woman member
from Massachusetts, will take over from
Rep. Rankin, Mississippi, defeated in the
primary election, chairmanship of the
committee on veterans affairs, which
sponsored the soldiers' gratuitous inden-
mity law as a substitute for National
Service Life protection, in general, for
armed services members beginning some
two years ago. This committee will have
veterans insurance bills before it.

The powerful rules committee of the
House, which largely controls the legis-
lative program, will be headed by Rep.
Allen, Illinois, succeeding the Chicago
veteran, Rep. Sabath, who died the day
after he was reelected.

Miseries of Annual Renewal
Plan Grow More Obvious

(CONTINUED FROM PAGE 3)

shire, New Jersey, Oregon, Pennsyl-
vania, Texas, Virginia and West Vir-
ginia. In the other 36 jurisdictions there
is a bureau plan authorized except Flor-
ida where the only filing in effect is that
of North America.

The premium after the first year is
78% of the annual except in California,
Arizona, Idaho, Montana, Nevada and
Utah, where it is 53 and 78%; and
Florida, Georgia, Indiana, Iowa, Kansas,
Kentucky, Nebraska and Wisconsin,
where it is 80%.

Virginia Law Applicable

Apparently there is no law in any
state, except Virginia and Wisconsin,
which specifically deals with extension
of insurance credit. The law in Vir-
ginia which controls the situation is one
that denies companies the right to an
allowance of credit as an asset for items

more than 90 days due. The Virginia
law has been upheld by the state courts,
in a suit brought by Virginia Assn. of
Insurance Agents with reference to the
installment plan.

The applicable statute is 38.1.286.
"When premium to be collected on cer-
tain contracts. On every contract of in-
surance of the kind classified and de-
fined in sections 38.1-6 (fire), 38.1-7 (mis-
cellaneous property, and 38.1-8 (water
damage), written, counter-signed or de-
livered by a resident agent or company
representative of any company and cov-
ering a subject of insurance resident,
located, or to be performed in this state,
the full premium on the contract should
be collected when such contract is writ-
ten, issued, or delivered, or within a rea-
sonable time thereafter."

Can't Wait to Collect

Interpreting the statute, the state
courts held that the full amount of the
premium must be collected shortly after
the inception of the risk and not over a
period of years. This provision, the
courts held, would be violated by a plan
for paying fire insurance premiums in
installments over a term.

If insured signs a note which is proper
legal form and it bears a legal rate of
interest, such notes would be con-
sidered as payments, it is said. Thus
neither company nor insured is deprived
of the right to give and accept notes.

Richard M. Payne has purchased the
interest of T. M. Bowers in Bowers-
Payne Co., independent adjusters at
Portland, Ore. He entered adjusting at
the end of the last war after air force
service and was for some time with the
late Roy F. Owen, independent adjuster,
and in 1950 formed a partnership with
Mr. Bowers.

STOCKS

By H. W. Cornelius, Bacon, Whipple &
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Nov. 10, 1952

	Div.	Bid	Asked
Aetna Casualty	3.00*	95	98
Aetna Fire	2.25*	57	58 1/2
Aetna Life	2.50*	93	95
American Alliance	1.50*	32 1/2	33 1/2
American Equitable	1.50	27 1/2	28 1/2
American Auto	2.00	47	49
American (N. J.)	1.00	26 1/2	27 1/2
American Surety	3.00	50 1/2	52 1/2
Boston	2.60*	70	72
Camden Fire	1.10*	23	24
Continental Casualty	2.50*	92 1/2	95
Crum & Forster Com.	1.60	46	48
Fire Association	3.00	68	70
Fireman's Fund	1.00	59	61
Firemen's (N. J.)	.90	26	27
General Reinsurance	1.60	34	35 1/2
Glens Falls	2.00	59	61
Globe & Republic	.80	16	18
Great American Fire	1.50*	36 1/2	38
Hartford Fire	3.00	153	155
Hanover Fire	1.60	38 1/2	39 1/2
Home (N. Y.)	1.80	39 1/2	40 1/2
Maryland Casualty	1.20	24	25
Mass. Bonding	.90	21	22
National Casualty	1.50*	29	30
National Fire	2.50	71	73
National Union	1.80	40	42
New Amsterdam Cas.	1.50	38 1/2	40
New Hampshire	2.00	46	47 1/2
North River	1.20	29 1/2	31
Ohio Casualty	1.20	66	69
Phoenix, Conn.	3.00*	98	101
Prov. Wash.	1.50*	30	31 1/2
St. Paul F. & M.	.85*	33	34 1/2
Security, Conn.	1.60	38	39 1/2
Springfield, F. & M.	2.00	50 1/2	52
Standard Accident	1.60	39	40 1/2
Travelers	14.00*	680	690
U. S. F. & G.	2.00	59	61
U. S. Fire	1.50*	44	46

*Includes extras.

Fred A. Gould of Arkansas City, sec-
ond president of Kansas Assn. of Insur-
ance Agents, who underwent surgery at
the Mayo Clinic for a throat ailment, is
reported to be improving rapidly and
expects to return home shortly.



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Kentuckians Hold Annual Parley

(CONTINUED FROM PAGE 1)

retiring veteran, Walter H. Bennett, who just retired after 33 years with National Assn. of Insurance Agents, part of that time as secretary and the balance as counsel. He was introduced by a Kentucky stalwart, Norman A. Chrisman, Pikeville, past president, first Kentucky state national director, past N.A.I.A. executive committee member and past president of Kentucky Chamber of Commerce, and was given an ovation.

Recalls Memorable Kentucky Battles

Speaking on "Maintenance of Vigilance," Mr. Bennett recalled that Kentucky has been the scene of two memorable victorious battles over the rights of agents—the contest over whether Commodity Credit Corp. could ignore agents and state insurance laws in arranging for insurance on pledged grain and the state supreme court fight over the rules of the Louisville Board against the appointment of bank agencies. He also discussed the recent victory of the Ohio agents over the licensing of automobile dealers as agents and said that a similar case is pending in Texas.

On the commission question, he strongly defended the N.A.I.A. course and said he could not understand why any agent would object to it. Mr. Bennett said he is entirely in favor of freedom of contract, but agents have no such thing when a company can reduce commissions unilaterally by a formal notice. The N.A.I.A. program, he said, does not contemplate establishing the rates of commissions, but does call for investigation and the right to discuss expense factors, which are essential if agents are not to be squeezed every time a company feels it can get away with shaving a few dollars off its expenses.

Made Kentucky Colonel

At the dinner, Mr. Chrisman presented Mr. Bennett a Kentucky colonel's commission. Mr. Barnes, who is also past president of the state chamber of commerce, gave him a framed "Key to My Old Kentucky Home," which he said would open any door in Kentucky to him. Mr. Bennett responded briefly and also conducted the installation of officers. He pointed out that the Kentucky association and N.A.I.A. were formed the same year, that three Kentuckians were among the 20 N.A.I.A. founding fathers and that A. G. Simrall, Covington, was the first National association president.

Resolutions asked the companies to write crop insurance, urged school driver training and enforcement of the financial responsibility law and opposed coercion of insurance by lending institutions and appointment of agents to secure controlled business.

Southall Warns of Violations

At the Monday session, Commissioner Southall said some agents do not realize the importance of complying with violation tags of Kentucky Inspection Bureau. In issuing these tags, he said, the bureau is discharging a duty imposed upon it by the Kentucky rate law and is acting as an agent of the insurance department. In the future, he warned, the department will take more drastic action against agents who fail to correct violations and, in inexcusable circumstances, this can result in license revocation.

Mr. Southall praised the personnel of the insurance department and also the work of Fire Marshal Underwood in fire prevention, arson detection, inspection, establishment of standards and development of fire brigades. He also said that the various rating bureaus have agreed that in the future agents will be notified of rate and rule changes by first class mail and the notices will be in their hands before press releases reach the daily papers.

Curtis Tarter, Louisville manager of

Home and president Kentucky Fire Underwriters Assn., was the final speaker Monday afternoon. He described the catastrophe loss adjusting procedure set up by insurance interests in cooperation with National Board. Pointing out how well it has worked in disaster areas, Mr. Tarter emphasized that prompt payment of losses is the keystone of public relations and that the handling of a large number of claims, regardless of size, when a disaster strikes a locality is the acid test. He said he hopes no part of Kentucky ever becomes a disaster area, but he asked agents to familiarize themselves with the procedure and to cooperate in full if it ever happens.

J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, was the feature speaker Tuesday morning. Because Mr. Barnes' throat went bad, Mr. Gardner read his report on the N.A.I.A. meeting at Cleveland and on National association problems.

There was a forum on insurance problems Tuesday afternoon, with J. C. Wharton, Lexington, state agent of Crum & Forster, as moderator. H. W.

Robertson, Henderson, special agent of Hanover, answered questions on fire and allied lines; W. M. Brown, Louisville, manager Glens Falls, on casualty and surety; Ben Horton, Louisville independent adjuster, on loss matters, and P. J. Jerome, Chicago, inland marine superintendent Aetna Fire, on inland marine.

The forum was preceded by a discussion of trends in the business by J. C. O'Connor, Cincinnati, executive editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER. Mr. O'Connor talked largely on automobile and multiple perils problems and then took part in the forum.

Membership in the Kentucky association is now 495, about triple what it was when Mr. Bethel took over in 1933. As a result of Mr. Bethel's work, the Kentucky association and Louisville board will each have its own secretary. The two associations will continue to share quarters in the Starks building and Miss Bertha Von Overbeke, office secretary, will work for both.

Mr. Blanchard, the new Kentucky association secretary, was born in Plaquemine, La., and graduated from Louisiana State University in 1949. After working on the Baton Rouge Morning Advocate and Atlanta Journal,

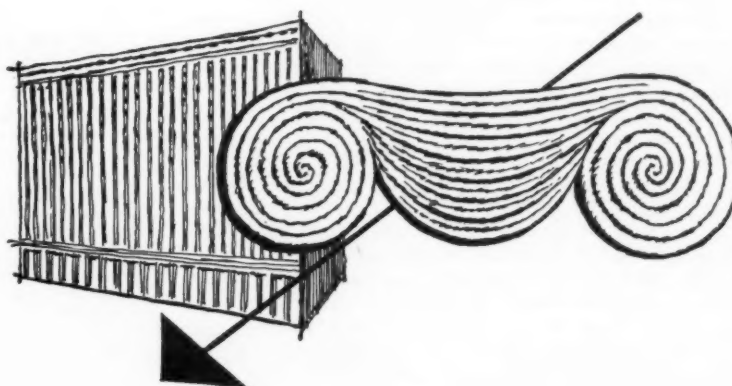
he came to Louisville as public relations director of University of Louisville, remaining there until he became Mr. Bethel's assistant Sept. 1.

R. W. Barnes, Jr., formerly with Retail Credit Co. at Louisville and Atlanta, who will succeed Mr. Bethel as Louisville Board secretary, attended the meeting. He will be formally elected at the annual meeting in January.

There was a large turnout of ladies, who were entertained at a luncheon and style show Tuesday, sponsored by Home. Mesdames Tarter, Gardner, Milward, Moore and Barnes were hostesses.

Russell Agency Promotions

John E. Masak, for 41 years with the George H. Russell Co. agency, Milwaukee, has resigned as secretary-treasurer and is retiring. George Russell Van Brunt, a graduate of Harvard, who has been with the agency since 1946 and specializes in casualty insurance, has been elected treasurer. He is a grandson of the late George H. Russell and a son of Bradlee Van Brunt, president of the agency. Robert T. Clayton, a graduate of Wisconsin, son of T. Z. Clayton, vice-president, has been made secretary. He has been with the agency since 1948 and specializes in fire and allied lines. Both are former servicemen.



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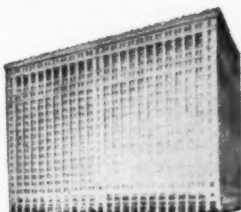
For example, consider elevators. Several banks of Electro-matic elevators of the latest design have just been installed in the Insurance Exchange. And in line with the trend toward air con-

ditioning, five floors of the Insurance Exchange South have been completely air conditioned.

These improvements are merely steps in a long range modernization program. Plans are being made that will still further enhance the prestige of the Insurance Exchange as one of the nation's finest office buildings.

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EDITORIAL COMMENT

Queries in Commission Proposal

The recommendation by members of Eastern Underwriters Assn. that a solution to the commission problem by way of state legislation or through application to rate level formula be explored by Insurance Executives Assn. with other company organizations, came as a surprise to many company executives, who had not believed there was so much disposition in the business to seek legislative aid.

The subject of what to do about commissions has troubled many in the business for some time. On the casualty side it has been recurrently discussed since the demise of the acquisition cost conferences, which until insurance was held commerce, provided a satisfactory discipline for many years, from the viewpoint of companies. It has been only in recent months that the fire people, faced with a hike in commissions on their business in certain sections, notably the east, have become alarmed at what they regard as the inability of the business to cope with the problem.

The business is much divided on the issue of whether to try for legislation as a cure of the problem, or not. Men of ability with a sincere concern for the welfare of the business are on both sides of this fence, though probably more people in casualty than in fire regard legislation as the only way to stabilization.

The important question in any such investigation, because it involves a basic attitude of management toward the business it manages is: Does the business want to turn over to a governmental agency the power of final decision on commissions? Or does it want to retain it as a management function with the assorted difficulties that beset such a course? If it decides to give it up, will it ever get it back, particularly in large premium states where energetic regulation is well established, such as California, Illinois, Massachusetts, New Jersey, New York, etc.?

The alternative suggestion, trying for stabilization by setting up a factor for commissions in the rate making process, is regarded by some as a much preferred means, if it can be done without legislation. National Automobile Underwriters Assn. uses 25% for commissions in making its rates, but this is advisory. There are no penalties for paying more or less. Thus no question of concert is involved.

There is a growing uneasiness about all-industry rate regulatory laws, as being too restrictive, as having transferred more than rate regulation responsibility to the states. Commission legislation

would relinquish more of its function (about 75% of the premium dollar instead of the present 50%) to an agency of the government. The state insurance department is interested in insurance, to be sure, but at least in theory it cannot have the degree of interest, skill and responsibility that good management has for the welfare of the business.

Temporarily commissions are troublesome: They could be troublesome for a long time to come. Insurance department participation in their control would undoubtedly endure even longer.

These are the first difficulties with commissions growing out of abandonment of former disciplines in respect to them. Once the business policed itself on commissions, and it accomplished the purpose of stabilization. That right disappeared with the commerce decision. The old forms of group discipline are gone; self discipline, each on his own, is young, as time goes in the business.

Another consequence of cure by legislation is that no matter how close the companies come to getting the kind of statute they want, the insurance department is going to administer it—and interpret it.

Will legislation accomplish what the companies want achieved, stabilization? If this is the case, which it may be, what the companies get out of it is not apt to be strictly of the beneficial kind; it will be accompanied by some restrictions on freedom of companies to do what good management may dictate is sound for company, agent, and public to do. Companies will have to give up something to get something; agents, likewise, the public, also.

Will these restrictions more than offset the disadvantages or commission instability? Has it been conclusively demonstrated that there is no other relief from such instability?

Legislation apt to companies' current purpose could be written, perhaps something that simply sets a ceiling standard, and under this umbrella they could continue to exercise about as much management as ever. But especially in the heavy premium states they will get what the insurance department thinks it can administer successfully, with an eye to the politics of the situation. In most political contests the agents have more power than the companies.

It is pointed out that to a certain extent (perhaps the vital extent) and by indirection, the departments now can and actually do considerably regulate commissions by regulating rates. They may (some have done so) call for fire

rate reductions where the commission goes up. The commissioner will ask himself, are the rates out of line? At least some departments are not going to let a five point or more increase in fire commissions rates become the established acquisition pattern, become imbedded in the experience exhibit, and then face pressure for increases in other lines as a consequence.

It is difficult to see how the companies could get very far with an objective of this kind without an all industry approach. There are all kinds of companies today, as respects operation. Legislators are not apt to legislate for one segment of the business, as they did in the case of the three states that have commission laws, especially not now with multiple line underwriting powers. All kinds of commissions would have to be considered and included. Many so called independent companies would vigorously oppose a commission bill.

Would the effect of such effort be to set up restrictions on those companies that are seeking relief, but leave other companies that operate independently free to go their own way? This is not likely. However, such legislation is not

apt to stop all methods of price competition.

An important practical question is how the companies could devise legislation that would appeal to agents. In many jurisdictions companies could not secure passage of legislation with the opposition of agents, perhaps not even without their active support. The companies are interested in a ceiling, the agents in a floor. The public, for which the insurance department is charged to look out, is interested in a reduction of total costs. Both companies and agents who have the welfare of the business at heart are interested in a stable business. Within certain limits, the best interests of the public are thus served.

If the economy continues its present levelling off, commission stabilization is going to be even more of a problem next year than it was this, more in 1954 than in 1953, as the fire companies reach for business to keep their money profitably employed in insurance and even the casualty companies begin again to reach out, as they may well be doing this time next year.

Perhaps by the time it is thoroughly studied, the malaise will have been cured by means other than another law.

PERSONAL SIDE OF THE BUSINESS

R. M. Kerwin, of R. M. Kerwin & Son, Chicago adjusting firm, is now back at his office following an operation. Mrs. Kerwin, who had been ill for some time, died in the same hospital during Mr. Kerwin's confinement there.

Charles F. Crafts, president of Fireman's Fund, accompanied by Mrs. Crafts, is in Hawaii on a vacation trip. Mr. Crafts was campaign leader for the United Crusade, a new organization which conducts the fund collecting activities for all local established charities, including the Community Chest. He also has been active in several other community movements requiring time and effort.

Ray B. Duboc, president of Western Casualty & Surety and Western Fire of Fort Scott, is taking a few weeks rest from business.

A. Bruce Bielaski, assistant general manager of National Board, gave a talk, "Two Eyes for Law Enforcement," at a conference on criminal interrogation and lie detection at New York University graduate division of public service.

W. J. Welsh, of the Mann, Kerdolf, Kline & Welsh agency of Kansas City, who has been hospitalized about a month, now reportedly is well on the mend.

Joseph M. Dodge, the Detroit banker whom Eisenhower has named as his personal envoy to the Truman administration, sitting in on preparation of the annual budget, is a director of Standard Accident and Planet of Detroit and a trustee of Equitable Life of Iowa.

There are visiting the U. S. at present **Jean Prives**, president, and **Xavier de Montferriand**, manager of Union Fire, of Paris. They have just completed a Latin

American visit from Venezuela to Mexico. On Monday at New York they attended a luncheon to commemorate the tenth anniversary of the founding of their company's U. S. affiliate, Unity Fire & General. They are returning to Paris Friday.

Mrs. Lena H. Templin, at the age of 91, has retired from the local agency business at Nebraska City, Neb. She has sold the agency to Fred Parker. The advertisement in the newspaper announcing this change that is signed by Mrs. Templin reads in part: "I hope all of my good friends—they run back through many decades—will favor the Parker agency with their business. I am grateful to all of you and may the Good Lord Bless and Keep You."

Mrs. Templin and her husband organized the agency 52 years ago. Mr. Templin died in 1918 and she continued alone. The Templins were married at Nebraska City and then they homesteaded in South Dakota before returning to Nebraska City to open the agency.

A son, John F. Templin, is with the Nebraska Rating Bureau at Omaha, and Charles Templin is Seattle manager of Marsh & McLennan.

Thomas E. Wood has been elected to the newly created post of board chairman of Aluminum Industries, Inc. Mr. Wood is president of Thomas E. Wood agency of Cincinnati.

San Diego (Cal.) of Insurance Agents and Insurance Women of San Diego are collaborating in conducting an 8 weeks course on general insurance at the San Diego vocational high school and junior college.

THE NATIONAL UNDERWRITER

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NEW YORK 38, N. Y.—99 John Street, Room 1103, Tel. Beekman 2-3958. Ralph E. Richman, Vice-Pres.; J. T. Curtin, Resident Manager.

PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-2706. E. E. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

DEATHS

Bituminous Chief Succumbs at 54

Harry H. Cleaveland, Jr., chairman and president of Bituminous Casualty and Bituminous Fire & Marine of Rock Island, Ill., and a partner of the H. H. Cleaveland agency of that city, died at Passavant hospital at Chicago early Monday. His age was 54. He had been confined there six weeks with a liver ailment and previously had been hospitalized for a time at Rock Island.



H. H. Cleaveland, Jr.

He started with the H. H. Cleaveland agency in 1921 and after a number of years as vice-president of Bituminous Casualty, succeeded his father as president in 1945 and subsequently became chairman as well upon his father's death. A son, H. H. Cleaveland III, is connected with the H. H. Cleaveland agency. A brother-in-law, F. B. White, is a vice-president of Bituminous Casualty and also is a principal of the agency. One of the founders of the agency 84 years ago was his grandfather, Henry C. Cleaveland.

H. H. Cleaveland, Jr., graduated at Knox College in 1920 and attended Harvard business school before serving as an infantry officer in the first war. He was a trustee of Knox College, a director of Rock Island Chamber of Commerce and of Rock Island Bank & Trust Co. He was a former vice-president of Blackhawk Federal Savings & Loan Assn., president of Memorial Park Development Assn. and president of Fort Armstrong Co., owner of the Fort Armstrong Hotel building.

FRANK C. BROSIUS, 66, Wichita agency head active in the local board there, died suddenly in a Wichita hospital.

EDWARD A. LARBERG, 60, vice-president of Standard Underwriters Agency, St. Louis, died of carbon monoxide poisoning in the garage at his home at Richmond Heights, Mo. He had been in the business more than 30 years. He started as a rating clerk for Missouri Inspection Bureau and about 1922 became a broker with Lawton-Byrne-Bruner. He became a partner in Standard Underwriters Agency in 1939.

ARTHUR H. VINCENT, 77, a prominent agent and broker at Chicago for more than 50 years, died in Illinois Masonic hospital there. He spent his entire business life with the Conkling, Price & Webb agency. He joined the

firm in 1897, becoming a general partner in 1919. In 1938 Mr. Vincent retired as a partner of C.P.&W., but continued with the agency as a broker, handling his large personal business.

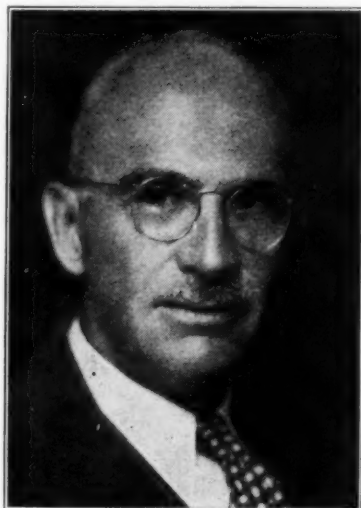
Mr. Vincent was a past commander of Siloam Commandery of Knights Templar and a past potentate and treasurer of the Medinah Shrine Temple. He was vice-chairman of the board of the Shriners Hospital for Crippled Children at Chicago.

PFC. MARTIN F. MALONEY, son of J. T. Maloney of Cincinnati, who is personnel manager of The National Underwriter Co., was reported killed in action in Korea Oct. 20. He was a graduate of Villa Madonna College, Covington, Ky., and had been married shortly after he entered the army last fall. Before assuming his present duties in 1950, Mr. Maloney, Sr., was known to many insurance men as business manager of the "Fire, Casualty & Surety Bulletins" and editor of the "Accident & Health Bulletins." The Maloneys have two other children, Margaret and Joseph. Another daughter, Mary, died about three years ago.

NELSON B. YODER, 57, treasurer of Fire Association, died at Collingswood, N. J., after a long period of illness. A graduate of the business school of University of Pennsylvania, he joined Independence Indemnity of Philadelphia in 1923 and in 1926 went with Fire Association, handling financial and tax matters. He was elected assistant treasurer in 1937 and treasurer in 1948.

Mr. Yoder was treasurer of American Institute for Property & Liability Underwriters and Insurance Institute of America and was a member of the committee on uniform accounting of National Board.

JOHN W. LONGNECKER, retired advertising manager of Hartford Fire and Hartford Accident, died at a Norwich, Conn., hospital. He was the first



JOHN W. LONGNECKER

editor of the Hartford Agent, the first issue of which came out in May, 1909. Mr. Longnecker was the first advertising manager of Hartford, and became one of the leading figures in Insurance Advertising Conference.

CECIL O. SNYDER, 62, vice-president and West Virginia state manager of Educators Mutual of Lancaster, Pa., died of a heart attack at Charleston. He had started with Educators as a part time agent while he was teaching in the Williamson, W. Va., junior high school. In 1934, he became state manager, and in 1944 he was elected vice-president and a director. He was a past-president of Charleston H. & A. Underwriters Assn.

ERLON M. DUNLAP, 59, president and treasurer of Dunlap agency, Auburn, Me., died suddenly. He entered insurance at Portland in 1914 in the agency founded by his grandfather and came to be recognized as one of the state's leading surety bond experts. He

(CONTINUED ON PAGE 36)

adequate
protection



XVIII Century Highland pistol remarkable for the excellence of its manufacture and the beauty of its decoration.

The early highlanders were considered to be the best armed soldiers in the world. But against today's modern firearms, theirs would hardly be considered adequate protection. The same parallel could be drawn of fire insurance protection of yesterday and today. With more than 147 years of experience in developing proper protection, Caledonian takes pride in the up-to-the-minute service its agents give policyholders.

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WITH COMPLETE UNDERWRITING FACILITIES FOR

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- ALLIED LINES

PLUS A BROAD CLAIMS POLICY, UNSURPASSED
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Dorsett Calls Traffic Safety Workers to Account

Blames Their "Incompetence" on Bickering, Personal Interests, Jealousies

LOUISVILLE—A combination of firm law enforcement and a united effort by professional accident prevention groups to organize aroused public support was urged by J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, as the only method of quickly solving the traffic accident crisis.

In an address before the convention of Kentucky Assn. of Insurance Agents, Mr. Dorsett declared that the near collapse of law enforcement and the incompetence of traffic safety organizations, resulting from "bickering, personal interests and jealousies," were responsible for failure of the public to understand the seriousness of the traffic problem.

Mr. Dorsett blamed misunderstanding by motorists and disregard of their obligations as operators of automobiles on lenient officials and the diverse aims of safety specialists. Before real headway can be made toward an adequate and permanent solution of "our great national traffic crisis," he said, it must be made "inescapably clear" to every driver that the ownership of a car is a privilege that is granted under license and may be exercised only in compliance with specific legal conditions that are established for the protection of everyone.

Parcels Out Responsibility

Turning to the question of who is responsible for today's dangerous highways, Mr. Dorsett said:

"The legislatures and municipal governing bodies are responsible, for not giving the police departments enough men to patrol the streets and highways adequately day and night; for failing to modernize driver licensing laws in the light of vastly changed, and still changing, traffic conditions; and for failing to give the motor vehicle and licensing authorities sufficient personnel to put only qualified operators behind the wheel of an automobile.

"The politicians are responsible, for interfering with and reversing enforcement of the laws governing the operation and ownership of motor vehicles. Nothing has contributed more to public indifference toward traffic laws than ticket fixing, reinstatement of suspended or revoked motoring privileges and modification of penalties through political intercession and pressure."

A favor granted to one constituent today may very likely result in the death of another constituent tomorrow, he observed.

"The courts are responsible, for not compelling respect for the law by applying penalties that adequately fit each and every offense."

Stiff fines should be the sure penalty for first offenders against speed, reckless driving and drunken driving laws, and there should be stiffer fines and a year's suspension of driving license for second offenders. Third offenders should be put off of the road permanently, and if their offense results in the death or injury of a person, a jail sentence should be

(CONTINUED ON PAGE 33)

FEARS JUDICIAL SYSTEM DISINTEGRATION

Terrifying Tort Liability Trend Ray Murphy's Topic

DALLAS—A warning that jury awards in accident cases, based on a broadened concept of liability, will lead to disintegration of the present judicial system and substitution of a government fund for payment regardless of fault, was given here by Ray Murphy, general counsel of Assn. of Casualty & Surety Companies. He was speaking before the Southwestern Legal Foundation.

Casualty insurance, he said, is caught between "the tendency to find negligence on the part of the defendant where actually none exists and the tendency toward awarding compensation for injuries of all types, whether physical or mental, proximate or remote," and he said a point may be reached when the companies can no longer afford to pay the awards.

Liability insurers, he said, are obliged to honor checks written by often misguided, uninformed and prejudiced juries. Exorbitant amounts are awarded, in some cases for comparatively minor injuries or for pain of brief duration. Liability is based on grounds that are specious and far-fetched, often for injuries that exist largely in the imagination, or for psychic trauma due entirely to pre-existing neuroses or to abnormal susceptibility.

"There is little doubt that in a negligence case the single circumstance that has the most influence on the jury is whether the defendant is insured. This confuses the issue of liability with the question of financial responsibility of the defendant—a question which is not an issue. Instead of concentrating on the question, Was the defendant to blame? the issue seems to become, how much money has the defendant or how much insurance was he carrying?"

"When the jury knows or suspects that an action is being defended by an insurer an extraneous factor is brought into the picture, and this factor in turn brings into play a variety of prejudices. Frequently a vicious circle is brought into operation. A juror, resentful of a recent increase in his insurance premium, decides that he will retaliate by 'socking the company'—by making the verdict especially generous. Although he does not think about it at the time, by so doing he lays the groundwork for a further increase in his own insurance premium."

Curve of the Verdicts

In the New York supreme court, he stated, the average amount of jury verdicts for the plaintiff increased from \$3,489 to \$8,695 in the 10 years between 1941 and 1951, an increase of 149%. During the same period, the cost of living index increased less than one-half as much, about 73%, he said.

"The trend towards larger and larger awards for consequences more and more remote, based on slight, doubtful or technically contrived liability may appear to make the future very bright for the plaintiff's lawyer," the speaker asserted. "But this is an illusion. The inexorable fact is that someone has to pay, and a point may be reached when that someone can no longer afford to pay."

"In my opinion no one eventually, will be able to pay such awards if the trends I have mentioned progress. If they do, I feel there can be only one result—the disintegration of our present system of jurisprudence and the substitution of a system for the payment from state funds or from a federal fund for every injury, regardless of causation. Payments would be confined to medical and hospital expenses incurred, and reimbursement for death, dismemberment and lost earnings, with no compensation whatsoever for pain and suffering, and with ceilings and limitations on amounts paid, similar to those contained in the various workmen's compensation laws. Since the cost of such a system could not be taxed against any special group, such as motorists, manufacturers, landlords or storekeepers, it would be sup-

ported from general revenue. This is in effect nothing less than the complete abrogation of liability for negligence resulting in personal injury. Under such a system insurance companies would no longer serve a purpose, and inevitably many lawyers would be compelled to seek other fields of endeavor."

Comparative Negligence

Mr. Murphy said an indication of the trend toward broader liability is the development, both by statutory enactment and by common acceptance, of the law of comparative negligence. Georgia, Mississippi, Nebraska, South Dakota and Wisconsin have comparative negligence laws. Mississippi is the only one that has a complete comparative negligence law. Theoretically, under the Mississippi law the plaintiff recovers even if he were 99% responsible for the accident. No provision is made for special verdicts. The result is that one never knows whether, or to what extent, the jury has diminished plaintiff's recovery. The Nebraska and South Dakota laws permit recovery when the plaintiff's negligence is slight, and that of the defendant is gross, in comparison. These laws also require the jury to lessen the recovery if there has been contributory negligence. The Wisconsin law, as interpreted by the courts, is somewhat more complex. The plaintiff recovers the percentage of his damages, computed by deducting the percentage of negligence attributable to him from 100%, provided his negligence is less than 50%. For example, if his negligence were 49% he would recover 51% of his damages. Some contend that under such a type of law it would be much fairer and more logical if the plaintiff's recovery were measured by the difference of percentages of negligence. Under this suggestion plaintiff would recover only 2% of his damages if he were 49% responsible for the accident.

"If what we want, and all we want to accomplish, is to modify what some would term a harsh application of the doctrine of contributory negligence, where the claimant is denied recovery when only slightly at fault, then a law similar to that existing in Nebraska could be the answer. On the other hand, if the actual goal is to grant a recovery in almost every case, we seek to change a major concept of our law."

"I suggest that the Mississippi law, and, incidentally, also a recent bill prepared by a conference committee of California State Bar Assn., are not comparative negligence laws; they, in fact, discard the law of negligence and substitute a system whereby everybody gets something."

"The five statutes on comparative negligence are only a minor element in the picture. The fact is juries, with the tacit consent of trial judges, quite generally ignore the question of contributory negligence. Nowadays practically anyone whose injuries are serious enough to arouse the emotions of the jury stands a good chance of recovery, regardless of his own contributory negligence. In fact, I sometimes hear

(CONTINUED ON PAGE 34)

Cal. Agents Fighting Group 'Comp,' Unfair Dividend Allocation

**Object to Higher
Payments to Large
Premium Risks**

SAN FRANCISCO—California Assn. of Insurance Agents is vigorously supporting a proposed bill to regulate "group" workmen's compensation insurance.

The association's committee on workmen's compensation has filed a "brief" with the assembly interim committee considering insurance matters, recommending changes in the compensation law on the ground that it encourages discrimination, especially as regards the payment of dividends by the state fund and participating companies. The committee says that method of computing dividends used by the participating companies creates discrimination against the smaller risks.

"The remedy is an amendment to the law prohibiting unfair discrimination in computing dividends, specifically prohibiting any differential in percentages based upon the size of the risk," it declares.

The system of computing dividends based on the size of premium earned, favors large risks and is a discrimination against the smaller employer, the committee says.

"The latter (the large risk) factor is completely indefensible because it flagrantly discriminates in favor of the large buyer of insurance at the direct expense of the small buyer," it contends. "To illustrate this point by actual figures appearing in one carrier's 'estimated dividend schedule' the insured falling into the smallest premium dividend bracket eligible for a participating policy receives a 10% dividend on exactly the same loss ratio as that of the maximum bracket employer enjoying a 70% dividend."

Group Plan Called "Evil"

As regards the group compensation plan utilized by a number of "home" companies, which the committee calls "an evil in California," the brief says:

"This practice, when clearly analyzed, becomes both a virtue and an evil. It is in reality only a by-product of the primary evil whose correction has been proposed. In effect, the practice results from a group of smaller than maximum dividend bracket employers, through one pretext or another, seeking to promote a situation whereby their individual premiums may be added together for dividend computation purposes. The adding-together technique thus removes the unfair advantage at their expense by the individual employer of sufficient size to occupy the same bracket. In this respect their action is not open to criticism. Unfortunately, however, their commendably selfish action discriminates in turn against the thousands of other smaller than maximum bracket fellow-employers remaining ungrouped. The prime fault does not lie with the practice of grouping but rather with the fundamental imperfection in the law itself."

The association also is supporting Commissioner Maloney in his support of premium discounts for large risks

(CONTINUED ON PAGE 34)

Trend Factor, Split in Under-25 Class, Debated in N. C.

Commissioner Reserves Decision on Auto Liability Rate Hike

RALEIGH, N. C.—Discussion of trend factors and further refinement of risk classifications took up most of the time at a hearing held by Commissioner Cheek on an increase in auto liability rates estimated at \$3 million annually. Mr. Cheek said he will announce a decision soon.

The commissioner at first opposed a plan to put all unallocated claim expense on the loss side of the permissible loss ratio, but after the arguments were

all in said his mind was not fully made up on the subject. It was agreed that the matter of breaking down rate classes into smaller groups would be postponed for consideration later instead of with this filing. The commissioner indicated, however, that he feels class changes are urgent.

William H. Brewster, manager of the auto division of National Bureau of Casualty Underwriters, said the requested increase is based on loss experience for the 1949 and 1950 policy years and calendar year experience for 1951. Besides, his brief said, "the assumption has been made that the percentage increase in average paid claim costs from 1949 to 1951 will be repeated from 1951 to 1953." A trend factor averaging 15% was introduced.

Objects to Trend Factor

"That's what we're objecting to," Commissioner Cheek said. "We're still to be convinced you'll have as much of a boost forward in 1953 as the Korean situation gave in 1950. Isn't that assuming it will be just as bad from 1951 to 1953 as it was from 1949 to 1951?"

To this, Mr. Brewster replied that it now appears that the trend "will be at

(CONTINUED ON PAGE 35)

New Officers of Mass. Agents Group



New officers of Massachusetts Assn. of Insurance Agents as elected at recent Boston convention: F. H. Woodward of Lynn, president; Frank Mills of Worcester, vice-president; A. B. Fair, Natick, state national director, and R. G. Dowling, Hyannis, vice-president.

HEAR KIRK AT CHICAGO

Scores Inadequacy of Current Auto P.D.L. Rate Structures

The inadequacy of present automobile P.D.L. rating structures was pointed out by L. K. Kirk, vice-president and treasurer of Standard Accident of Detroit, at a meeting of Casualty Underwriters Assn. of Chicago.

Mr. Kirk also declared that current rate making procedures have penalized most companies writing auto P.D.L. by practically guaranteeing that they will lose money.

Rate procedures combined with inflation and a high frequency of losses, he said, have conspired to make an underwriting profit almost impossible. He added that already some companies are feeling the pinch through their dwindling policyholder surplus.

Demonstrates Two-Way Squeeze

Mr. Kirk then demonstrated the two-way squeeze on surplus from losses and the financing penalty. The penalty, he said, is the result of an increasing volume and the requirements of meeting statutory reserves.

Accordingly, it would appear that the only answer for companies wishing to keep their premium surplus ratio in line is simply to avoid writing more business than they can finance safely.

According to Mr. Kirk, there is absolutely no logic in writing a line that is rendered unprofitable by inadequate rates which at the same time deplete the company surplus further through the financial penalty.

Mr. Kirk pointed out that the financial side of the casualty business is merely the result of combined efforts of underwriters and claim men coupled with income from company investments. Through a knowledge of the financial side of the business, underwriters and claim men, he opined, have a better chance to know where they have been, where they are, and where they are going.

The speaker was introduced by William T. Fee of Employers Reinsurance, president of the association.

Compulsory Hearing in Cal.

Chairman Ernest R. Geddes of the California assembly interim committee on finance and insurance has called a hearing starting Nov. 17 at Sacramento to consider the question of compulsory automobile insurance. Former Commissioner Harrington of Massachusetts, now executive vice-president of National Assn. of Casualty & Surety Agents, who will be a speaker at the convention of

California Assn. of Insurance Agents, will stay over to testify before the committee Nov. 21.

Cincinnati Forum on Auto Funds

CINCINNATI—Arthur M. O'Connell, president, Cincinnati Fire Underwriters Assn., will be one of the three discussion leaders at the seminar of the Robert S. Marx Foundation on liability without fault and adjustment of automobile accident cases at University of Cincinnati this week.

Former Judge Marx has been a leading advocate of automobile accident compensation with monopolistic state funds and established the foundation a couple of years ago to do research on the matter. Mr. O'Connell has debated him publicly several times. University of Cincinnati, in sponsoring this seminar, asked insurance men to participate in order that all sides of the picture might be presented. In addition to Mr. O'Connell, it is expected that several leading agents and several representatives of Assn. of Casualty & Surety Managers of Cincinnati will attend and participate.

Sessions were scheduled for Nov. 12-14, each from 4:30 to 6 p.m. at the University of Cincinnati College of Law. Prof. A. A. Ehrenzweig of University of California is general chairman. Judge Marx was discussion leader Wednesday afternoon. Prof. Fred Dewey of University of Cincinnati is scheduled for today and Mr. O'Connell for Friday.

Austin Flett Takes on Jerry Voorhis and E. N. Lashmet

Austin T. Flett, broker with W. A. Alexander & Co., Chicago, on Wednesday debated the question of private enterprise vs. a cooperative commonwealth before a meeting of Cleveland Assn. of Credit Men. His adversary was Jerry Voorhis, executive secretary of Cooperative League of the U. S. On Nov. 30, he will debate stock vs. mutual insurance before a meeting of the Chicago chapter of Controllers Institute and there his adversary will be E. N. Lashmet, vice-president of Liberty Mutual in charge of Chicago operations.

Would Bar Mass. Passes

No insurance company, except E. and A. & H. would be permitted to do business in Massachusetts unless they provide a market for statutory auto B. insurance under a bill filed by Reps. Gray and Cowing. The commission would be required to put into effect a merit-rating plan for such insurance under another bill filed by the same legislators.

Announcing

THE OPENING OF A MIDWESTERN DEPARTMENT

The General Reinsurance Group announces the opening of its Midwestern Department, with offices in the 1012 Baltimore Building, Kansas City, Missouri, where the facilities of General Reinsurance Corporation and North Star Reinsurance Corporation will be available for casualty, surety, fidelity, fire and inland marine reinsurance.

Mr. Charles W. Hall, Vice President of General Reinsurance Corporation, will be in charge of the Department assisted in the casualty lines by Mr. William H. Kern. Mr. William J. Brandenburg will handle casualty claim matters. Mr. S. James Boutz, Assistant Secretary of North Star Reinsurance Corporation, will be in charge of fire and inland marine reinsurance.



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PHOTOGRAPH BY SARBA



THE TRUMPET THAT PLAYED ITS LAST SENIOR PROM

The couples stopped dancing and gathered around the bandstand. It was always this way when Bob took off on a trumpet solo. The lean kid with the crew cut just had the feel of the horn.

After the dance Bob gunned his car toward "Hamburger Joe's." He thought ahead to the crowded schedule for his dance band during the busy Holiday Season. Things were looking great.

The blinkers flashed red at the railroad crossing. Beating that slow freight was child's play. Too late, Bob saw a speeding passenger train hurtling down on him from the opposite direction . . .

A freight train whistle wailed in the night as a policeman picked up a battered trumpet and sadly shook his head.

To help you become "Mr. Safety" in your community, we have prepared a kit of materials based on this message to young drivers. Sell prevention as well as protection; write for Safety Kit "C." American-Associated Insurance Companies, Saint Louis 2, Missouri.

General Re Group Forms 15-State Unit at K. C. under Hall

General Reinsurance group is opening a midwestern department in the Baltimore building at Kansas City. Charles



Charles W. Hall



James Boutz

W. Hall, vice-president of General Re, will be in charge, assisted in casualty matters by William H. Kern.

The department will have available facilities of General Re and North Star Re for casualty, surety, fidelity, fire and inland marine reinsurance. Its territory

embraces Minnesota, North Dakota, South Dakota, Wisconsin, Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Colorado, Arkansas, Oklahoma, Texas and Louisiana.

James Boutz is named assistant secretary of North Star in charge of fire and inland marine reinsurance in the department. Casualty claim matters will be handled by William J. Brandenburg.

Mr. Hall has been vice-president of General Re since 1951. Previously for 17 years he was with Employers Reinsurance.

Mr. Boutz is a graduate of Kansas University and also of its law school. Since 1949 he has been with Employers Reinsurance in fire underwriting.

Mr. Kern has been with General Re since August. Previously he was with Employers Reinsurance four years and before that with R. B. Jones & Sons and Kansas City F. & M.

Mr. Brandenburg has been claims attorney for General Re since 1951, operating out of Des Moines. Previously he had been 15 years with Hawkeye-Security.

Edward T. Moynahan, U. S. general manager of General Accident; John S. Kaufman, deputy manager, and C. L. Brearly, assistant general manager, made a visit to Chicago last week.

Continental Cas. Is to Become \$10 Million Company

Stockholders of Continental Casualty at a special meeting Dec. 10 will vote on the recommendation of directors that the capital be increased from \$7½ million to \$10 million. This would be accomplished by the declaration of a 33⅓% stock dividend. That would eventuate in 1 million \$10 par value shares being outstanding. Just shortly before the directors meeting at which this action was taken, shares of Continental Casualty moved up sharply in the over-the-counter market from the range of about 80 to about 90. Early this week Continental Casualty stock was selling at about \$94.

At the same time there was declared a regular quarterly dividend of 50 cents and an extra 50 cents payable Dec. 1 to stock of record Nov. 17.

Continental Assurance stockholders will vote on a proposal to increase the capital from \$5 million to \$6½ million by a declaration of a 30% stock dividend. Stock of Continental Assurance was traded early this week at about \$154 a share. This compares with about \$134 prior to the directors' meeting.

Camps Group Views W.C., P.L., Other Cover Problems

A symposium on casualty insurance problems was conducted by Assn. of Private Camps in New York City. The all day session was attended by several hundred of those interested in camp operation. The program devoted special attention to rising costs in workmen's compensation and public liability and the tough market for these coverages. Two sources of rising losses are high jury verdicts and increased accidents, it was brought out. Ways of preventing accidents at camps were discussed.

Among those on the program were Harry Kahn of the New York insurance department, Robert E. Vollriede, resident vice-president of Continental Casualty; Walter Smith of the Compensation Insurance Rating Board of New York, and Milton W. Acker, manager of the general liability division of National Bureau of Casualty Underwriters.

Many other representatives of the insurance business were on hand including those from Continental Casualty and Camp Brokerage Co., New York, both active in this field.

Agents Want Minn. Actuary

ST. PAUL—A movement is on foot among Minnesota agents to have a full-time actuary added to the staff of the insurance department so that it would have continuous supporting data to check requests of National Bureau of Casualty Underwriters for rate changes. The proposal originated with agents on the Iron Range and Range Assn. of In-

surance Agents has requested its secretary, Edward A. Rahne, to urge other regional associations and local boards to get behind the movement.

The Range association also has gone on record supporting the St. Paul agents in their stand against licensing employees of insurance companies who solicit business for their personal account.

U. S. Encroachment Cited by Starling

BALTIMORE—A realistic look into the operations of certain government insurance programs that threaten to develop into full-fledged substitutions for free enterprise was given by Howard M. Starling, Washington manager of Assn. of Casualty & Surety Companies, in addressing the convention of Maryland Assn. of Insurance Agents. He cited federal agencies that began by offering only limited coverages and later expanded until they were in competition with the insurance companies.

"Federal crop insurance," he said, "has spread from coverage of a single crop to 27 different crops. In addition, its coverage was extended from protection against loss of the growing crop to protection against fire of tobacco. Here plain fire insurance is being written where private insurers should be writing it. In addition, the all-risk coverage given by the FCIC includes hail coverage which private insurers write."

"Life insurance benefits in force under four government programs have grown to a total of about \$325 billion, nearly \$25 billion more than is in force under the free enterprise companies. Perhaps most of the life insurance will one day be carried on by the federal government through Veterans Administration or the Social Security Administration."

The cost of government insurance programs is borne by the public, he pointed out. FCIC operates at loss because administrative costs and indemnities far exceed premiums collected, and the cost to the taxpayers of National Service Life Insurance has amounted to approximately \$4 billion since 1940 for expenses only, not for payments or benefits.

In the Kansas-Missouri floods of July, 1951, grain was destroyed on which Commodity Credit Corp. had loaned money and taken the risk. The estimated loss to the government was \$10 million. This, he said, is plain insurance. The risk is spread over the general public, and in this case no premiums are paid by those who benefit from the insurance.

Acker at Bank Forum

Milton W. Acker, manager of the general liability division of National Bureau of Casualty Underwriters, will discuss liability insurance at the Dec. 11 meeting of the insurance forum at the New York Savings Banks Insurance Forum at New York City.

77 MILLION POLICYHOLDERS are prospects for this new kind of Hospital insurance!



American Casualty's Golden Anniversary

EXCESS HOSPITAL EXPENSE POLICY

77,000,000 people are now insured under some form of hospitalization. The majority have coverage which is insufficient to pay actual hospital costs today. Now—you can offer supplementary hospital room and board benefits of from \$1.00 to \$10.00 daily (90 days) without affecting existing coverage. The new EXCESS Hospital policy is available to individuals or families regardless of whether their current hospitalization is in a non-profit or private plan. Write today for sales kit and rates on the only coverage of its kind—EXCESS Hospital Expense!



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Fire Affiliate: American Aviation & General Insurance Company

1902 • FIFTIETH ANNIVERSARY • 1952

REINSURANCE

Crop Hail - Fire and Allied Lines



Organized in 1893

1019 High Street

Des Moines 9, Iowa

George E. Day Is Named President of U. S. Casualty

George E. Day has been elected president of United States Casualty. J. Arthur Nelson, chairman of U. S. Casualty and chairman of New Amsterdam Casualty, had held the presidency temporarily since last July, following the sudden death of Walter D. Owens. Mr. Nelson had previously been the president of both companies for many years.



George E. Day

Mr. Day is also a vice-president and director of New Amsterdam. Mr. Day is a graduate of Cornell University. He then went with Frankfort Ins. Co., but soon changed to Otis Elevator Co. He was with that company 14 years.

Mr. Day returned to insurance in 1926, joining New Amsterdam as manager of its New York metropolitan claims department. Two years later he was elected a director and resident vice-president at New York. In 1932, he was elected a vice-president. The same year U. S. Casualty became an affiliate of New Amsterdam and its metropolitan New York claims department was added to Mr. Day's jurisdiction. Later Mr. Day was given charge of the nation-wide claims offices of U. S. Casualty and in 1945, the New York state claims offices of New Amsterdam also were placed under his direction.

Immediately after Mr. Nelson temporarily assumed the presidency of U. S. Casualty, he appointed Mr. Day executive vice-president.

Michigan Agents to Get 10% on Assigned Risks

LANSING, MICH.—Michigan agents are to receive 10% commission on business placed with the automobile assigned risk plan and some other modifications are being made in the plan's requirements, according to a bulletin just issued by Michigan Assn. of Insurance Agents.

Two other modifying provisions apply to service men. One will make unnecessary that the service man owner have his car registered in Michigan and the other will permit release of the service man from coverage when leaving the state.

The bulletin points out that although assigned risk business "is generally an unwanted orphan by both companies and agents" the plan "belongs to the agents just as much as to the companies" and "all will lose if state insurance replaces private insurance."

Carelessness of agents in applying for this type of coverage is decried. It is noted that more than 25% of all applications must be returned for corrections and that more than one-third of rejected risks appearing before the appeal committees "would have been unnecessary if the applications had been properly completed."

An educational briefing on the plan is to be given company men in order that they may assist agents in eliminating future errors.

Mich. 1752 Club Elects

DETROIT—Norman L. Trbilcock, Grosse Pointe, Badger Mutual, was named president of Michigan 1752 Club at its annual meeting here the past week at the Detroit-Leland hotel. Ernest L. Rose, Lansing, State Auto Mutual of Columbus, was named vice-president; George C. Bubolz, Lansing, Home Mutuals of Appleton, Wis., chosen secretary-treasurer for the fifth year, and

Jack Nugent, Lansing, Employers Mutual Casualty of Iowa, assistant secretary-treasurer. Roger L. Sullivan, Michigan Mutual Auto, is chairman of the board.

Massachusetts Fire Mutuals May Form Cas. Company

Members of the Mutual Fire Insurance Assn. of New England are considering forming a new Massachusetts casualty company to provide competitive casualty and multiple line facilities for domestic

agency mutual fire insurance companies. Local company executives have long been making plans for a casualty affiliate, with action now being speeded up because the fire companies feel that desirable fire business is now going to casualty companies because of the tight automobile market.

The new casualty company will probably be either a stock company or a mutual with a sizeable guarantee capital. Mutual companies under Massachusetts law may have guarantee capital, which customarily pays 7% return to stockholders.

The projected casualty company is not being regarded as an investment for surplus funds but as a means for the fire mutuals to protect their share of preferred-risk fire business.

Detroit Manager Resigns

Clyde R. Morrison, Jr., has resigned as managing director of Detroit Assn. of Insurance Agents. A committee to interview prospective applicants for the post has been named.

Mr. Morrison was the third Detroit association secretary to serve since 1941.



THE MARINES began carving their reputation during the Revolution, when they were two battalions strong. Today, 177 years later, whenever the job calls for rugged assault—when the odds look impossible—we call out the Marines. We know their reputation.

ACCENT ON REPUTATION

Reputations in any field aren't bestowed; they're won.

F&D's reputation simmers down to this: (1) Unexcelled service to its representatives in both the underwriting and production of bonding business (2) an unchallenged record for the prompt and fair settlement of claims.

Speedy, intelligent sales help for the F&D representative is always on call, at any of 50 strategically-located field offices throughout the country. That helps the agent get fidelity and surety customers. Quick, equitable claim settlements help him keep them.

If you are interested in increasing your bonding income...write F&D, specialists in the fidelity and surety field for 62 years. Write today.



FIDELITY AND SURETY BONDS,
BURGLARY, ROBBERY, FORGERY
AND GLASS INSURANCE

FIDELITY AND DEPOSIT COMPANY
Baltimore Maryland

AFFILIATE: AMERICAN BONDING COMPANY OF BALTIMORE

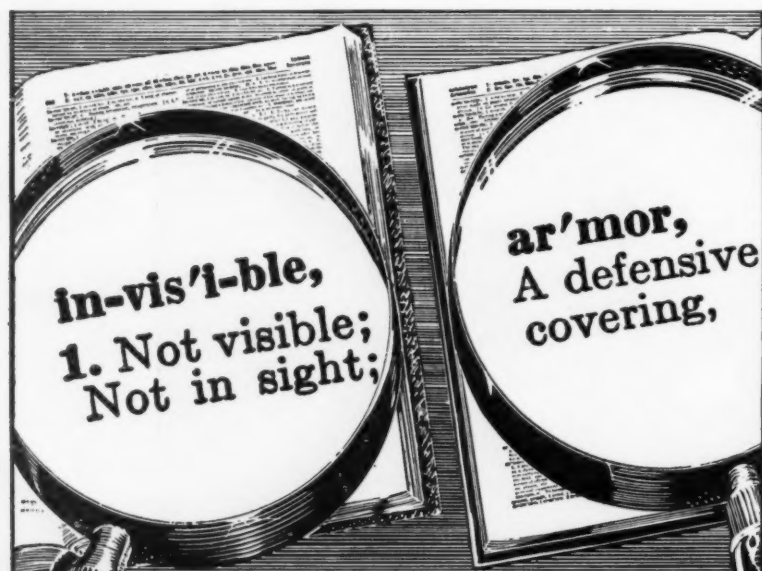
Continental Cas. to Enter Air Accident Policy Machine Field

Continental Casualty early next year will begin selling its aviation accident policies through policy vending machines. Airport Sales Corp. of New York, a subsidiary of Parker & Co., Philadelphia general agents of Continental, will manufacture the machines,

which will dispense standard airline trip policies in denominations of \$5,000 up to a total of \$50,000 at the standard rate of 25 cents per \$5,000.

Airport Sales Corp. is now operating the insurance booths at airports selling the Continental policies in a number of cities.

The new machines will give greater flexibility and make it possible to offer the insurance in airports where volume of traffic will not support a booth. The machine has a new mechanism which will virtually eliminate paper jams. It is fully automatic in operation.



These TWO WORDS also mean INSURANCE '52 STYLE

To the layman,

insurance is an intangible,

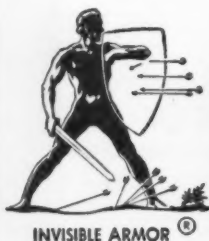
not easily understood.

National Surety agents have another name for it.

They call it *invisible armor*,

that constant protection

which stands between their clients and loss.



INVISIBLE ARMOR®

NATIONAL SURETY CORPORATION

4 Albany Street, New York

Auto Classification Plan at Last Gets OK in Va.

RICHMOND, VA.—The automobile classification plan centering about the age of driver factor that has long been in effect in most other states, has now been approved for use in Virginia. The plan was given the green light by Virginia corporation commission along with general rate revisions that become effective Jan. 1.

The commission skinned two points from the amount of BI rate increase requested by National Bureau of Casualty Underwriters and Mutual Insurance Rating Bureau. The average BI rate increase for private passenger cars will be 8%, whereas the bureaus had asked 10.4 and the BI increase for commercial vehicles will be 3.2 instead of the 5.5% that was asked.

The average 40% increases that were asked for PDL on both private passenger cars and commercial vehicles were approved without debasement. The commission directed the two bureaus to study the statistical effect of training courses on drivers under age 25 and to make a report by July 1, 1953. The courses, according to the order, shall offer a minimum of 18 hours of classroom study.

The only state now that has no vestige of an automobile rate classification plan is New Hampshire. In Mississippi, the old A1 — A2 — A3 B mileage plan is in effect and in Massachusetts the classification plan is applicable only to auto PDL, not to statutory BI.

Rumor Allstate to Move to Skokie

The employees of Allstate have been notified, it is understood, that the home office is to be moved probably next summer, to Skokie Ill., a northern community suburban to Chicago. A second story is to be added to the building at Skokie that was opened last year and that houses the Chicago regional headquarters of Allstate. The head office is presently located in a new building on West Arthington street, Chicago, in the Sears, Roebuck community, but it is understood that Sears wants to occupy this entire building and, hence, the decision of Allstate to move into the suburban locality. The office is at 7401 Skokie boulevard.

An Allstate regional office at Cleveland will be opened about Jan. 5, when modernization of quarters in the Guildhall building is completed. This is in keeping with Allstate's overall decentralization program, and is in anticipation of a large volume of business when Ohio's safety responsibility law goes into effect March 1. The company expects to triple its Ohio policyholders by the end of 1953. It now has 35,000 there.

Boston Revision Lowers Fire Costs on Dwellings

Fire insurance costs have gone down as much as 20% on dwelling property in Boston. Revised minimum rates for dwelling and apartment houses recently put into effect by New England Fire Insurance Rating Assn. saw a rate reduction on practically all types of dwellings, few remained unchanged and very few received a small increase. Boston rates are now in line with those applying to like risks in other cities in Massachusetts with Class A fire protection and under the same rating table.

O. L. & T. Rates Up in R. I.

Revised BI liability rates for many O. L. & T. classifications became effective Nov. 10 in Rhode Island for the National Bureau of Casualty Under-

writers members and subscribers. The rates for all classifications affected by the revision are increased on an average of 19.1%.

In Providence the increase is 23.7% and in remainder of state territory the increase is 7.8%.

Bankers Find Their Bond Limit Suggestions Meet Actual Loss Experience

The insurance and protective committee of American Bankers Assn. in its annual report states that its suggested amounts of blanket bonds to be carried by banks of different sizes has stood up against actual loss experience. Any further increase in the schedule could not be justified, the report notes, although Federal Deposit Insurance Corp., has recommended that banks take another look at the amounts of bond coverages carried in view of the increasing number of bank delinquencies.

Harry F. Harrington, Boatmen's National Bank of St. Louis, committee chairman, said that even if the committee had doubled its suggested amounts of coverage and "all the banks carried a higher amount, it would have yielded a relatively small amount of additional indemnity to F.D.I.C. but would have saddled increased premiums on the majority of the banks in a dubious effort to increase salvage recoveries in a few banks."

Rather than advocate such increases, the report suggests that greater emphasis be placed on more effective means of loss prevention, while those 1,600 banks which are below the recommended amounts increase their bond coverage.

Wolverine Agents Confer

Wolverine of Battle Creek recently conducted its agents' advisory committee meeting at the head office. The gathering was attended by 16 agents representing the more than 800 Wolverine agents in seven middlewestern states. John H. Carton, president of Wolverine, was in charge. Wolverine has for a number of years asked the opinion of its agents on improving company procedures, and has adopted more than 50% of the recommendations.

Assisting at the meeting were Harold Moore, R. D. Denton, George Denning, William Crasean, William Traver, Edward Hunt, Merton Vincent, and M. K. Lowrey of the Wolverine home office.

REINSURANCE

All forms for Casualty and Fire Companies

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EXCESS UNDERWRITERS, INC.

Representing

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90 John Street, New York, N. Y.

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ACCIDENT

C. C. Bradley Heads New N. C. A. & H. Insurer

CHARLOTTE, N. C.—Eastern Ins. Co., an A. & H. insurer, has been licensed in North Carolina. The president is C. C. Bradley, who for 6½ years has been vice-president of Reserve Life of Dallas. Mrs. Margaret Brand Smith is vice-president. She has been general counsel of Reserve Life for eight years. The secretary is Mrs. Keith Smith Green, a Charlotte lawyer.

The company is starting with capital of \$100,000 and a surplus of \$50,000. It will begin operations immediately, confining its activity to North Carolina for the present.

Speakers for Los Angeles Sales Congress Announced

Speakers scheduled for the sales congress Nov. 19, sponsored by A. & H. Managers Club of Los Angeles and Los Angeles A. & H. Underwriters Assn., include William G. Coursey, managing director of the International association; Raymond R. Ross, who is vice-president and director of agencies of Equitable Life & Casualty; John Langstein, Washington National, San Francisco; C. C. Mullin, Los Angeles, expert in sales executive training and public speaking, and H. B. Murphy, manager A. & H. department Automobile Club of Southern California.

Mr. Coursey will speak on "Successful Ideas in Selling;" Mr. Ross on "Buying Motives and Buying Decisions;" Mr. Langstein on "Importance of Enthusiasm in Selling;" Mr. Mullin on "Do You Have Selling Personality," and Mr. Murphy on "The Bernoulli's Theorem."

Wyoming Problem Eased

CHEYENNE, WYO.—Following agreement by Sterling Ins. Co. to cancel contracts of offending agents and to comply in all respects with requirements of the Wyoming department, hearing on its Wyoming license has been postponed indefinitely to give the company an opportunity to carry out procedures agreed to, according to Commissioner Taft of Wyoming.

Name Osler to A. & H. Post

Robert W. Osler, vice-president of Rough Notes Co., Indianapolis, has been appointed secretary-treasurer of Indiana Assn. of A. & H. Underwriters to fill the unexpired term of Robert Berry, Hoosier Casualty, who was forced to resign because of increased travel duties.

New Cal. "Ad" Complaint

Commissioner Maloney of California has filed charges of misrepresentation in advertising against Hinschorn & Joseph, San Francisco agents. They formerly represented World of Omaha and now are state agents of United of Chicago, both of which have been cited on similar charges.

Get Sales Tips from Saint

John Saint, A. & H. manager of American General Life of Houston, spoke at the Nov. 3 meeting of San Antonio Assn. of A. & H. Underwriters, commenting that A. & H. is no longer the step child of the insurance business. It has a lot of growing to do, but it has assumed a major importance, he said, calling attention to the better merchandising aids companies are developing and supplying for their field men. He mentioned the rise in hospital costs and urged the agents to be realistic and work for the education of the public concerning needs and the values of A. & H. insurance in providing for the payment of hospitalization charges.

President A. D. Anderson Occidental Life, outlined plans for the sales congress to be conducted there Dec. 1.

White Cambridge President

Joseph T. White was elected president of Cambridge (Mass.) Assn. of Insurance Agents to succeed Frank Phelan. John Vincent was elected vice-president and Jack Dyer, secretary-treasurer. James DiNunzio and Mr. Phelan were also elected to serve on the executive committee.

Manager George L. Goss discussed the statewide safety program of Insurers of Tennessee at a dinner meeting of Memphis Assn. of Insurance Women.

SURETY

Frown on Scheme to Abolish Bonding Requirement

WASHINGTON—The proposed directive which would abolish the requirement of surety bonds on defense construction contracts is regarded as "very dangerous" by government insurance officials. It has been under consideration in the Defense Management Com-

mittee, a Defense intradepartmental organization supposed to discuss ways and means of saving money and increasing efficiency in the defense program.

That committee reportedly sent the proposal to officials of the three military departments. It did not originate with the munitions board, officials say.

The small defense plants administration has agitated for modification of the bonding of defense construction contractors, on the theory that it would be issuing thousands of certificates indicating that small businessmen were quali-

"Unforeseen events . . . need not change and shape the course of man's affairs"



Good connection

PERHAPS you're faced with costly damage suits from an automobile crash. Maybe your home has been robbed . . . or an employee has absconded with funds from your business . . . or an accident has disabled you.

No matter where or when trouble strikes . . . you've got an expert trouble shooter as near as your telephone. He is the Maryland claims man and *service* is his middle name.

In any case, the Maryland claims man takes over for you. He investigates. He settles for you promptly and fairly. He acts as your *friend*.

You'll find this willing worker everywhere in the United States giving unsurpassed service. And you'll find him a specialist trained to handle any claim which may be filed *against* you or *by* you as a Maryland policyholder.

Maryland claims men work as a team with the Maryland agent or broker who sells you protection. Since all these men are expressly selected for their knowledge and experience, you can put your insurance problems in their hands with confidence.

Remember: because your Maryland agent knows his business, it's good business for you to know him.

MARYLAND CASUALTY COMPANY

Baltimore 3, Maryland

All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

By stressing the teamwork of claims man and agent, this advertisement aims to help Maryland agents and brokers increase their volume.

PEERLESS

Casualty Company



An Old New England Company

Incorporated 1901

REINSURANCES • FIRE AND INLAND MARINE
FIDELITY AND SURETY BONDS • CASUALTY
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BURGLARY • SPECIALIZED LINES AND EXCESS COVERS

PEERLESS CASUALTY COMPANY, KEENE, NEW HAMPSHIRE

your own

LIFE INSURANCE DEPARTMENT

FOR THE INDEPENDENT BROKER a complete life insurance department, providing every facility of a major life insurance company, has been organized by Connecticut General. Brokers now using this unique service find it extremely helpful and profitable.

Your Own Life Insurance Department offers a variety of sales

and promotional facilities to help you serve your clients' needs more completely.

Find out how its service can prove worthwhile to you...contact your nearest Connecticut General office or write to Connecticut General Life Insurance Company, Hartford, Conn.

Connecticut General



fied to undertake defense contracts. Under such certification, it is said, the military departments might award contracts without requiring bond.

However, Small Defense Plants has issued less than 50 such certificates to date, according to department officials.

F. W. Selsor New Head of Cleveland Surety Group

Cleveland Assn. of Casualty & Surety Managers conducted its annual meeting last week and elected Fred W. Selsor, Fidelity & Casualty, as the new president. B. E. Jump, Great American Indemnity, and Fred Hoyle, Maryland Casualty, were named vice-presidents, and Tom N. O'Brien, Fidelity & Casualty, is secretary-treasurer. The retiring president is C. L. Bowers, Massachusetts Bonding.

The meeting began with a cocktail hour, and at dinner the speaker was Judge Samuel H. Silvert of the court of common pleas of Cuyahoga county. There were 55 members in attendance.

New Chattanooga Shortage

CHATTANOOGA—City authorities, suffering recently a shortage of \$53,000 in the treasurer's office, have announced a shortage of at least \$15,000 in inspection department funds. Mrs. M. S. Anderson, secretary of the department until Oct. 15, is being held. Of the previous loss, \$50,000 has been repaid by Standard Accident.

Clute Heads N. Y. Assn.

Tracy A. Clute, Globe Indemnity, was elected president of Surety Underwriters

Assn. of the City of New York at its annual meeting to succeed Richard J. Purcell, Columbia Casualty.

Donald F. Harned, Travelers Indemnity, was elected vice-president, and William J. Flaherty, Century Indemnity, secretary.

Gauthier L. A. President

LOS ANGELES—Surety Underwriters Assn. of Southern California at its annual meeting elected these new officers: President, P. J. Gauthier, Continental Casualty; vice-president, A. H. Brunet, Maryland Casualty; secretary-treasurer, E. S. Cunningham, Standard Accident.

Marton W. Lewis, general manager of Surety Assn. of America, talked on the present situation in the business. He indicated that the trend of fidelity and surety losses has been steadily upward, and he envisaged but little, if any change, in the foreseeable future.

Bank Group Frowns on League

Word has gotten around in surety and banking circles that Clarence H. Lichtfelder, controller of First Wisconsin National Bank, as president of National Assn. of Bank Auditors & Controllers at the convention at Milwaukee, said that the executive board had asked him to make a statement to the effect that N.A.B.A.C. is not in favor of any new league being formed to duplicate the work of N.A.B.A.C. He was referring to the Bank Owners Protective League which was organized to provide certain services for bankers and also to provide excess limits of dishonesty coverage.

CHANGES IN CASUALTY FIELD

H. R. Sullivan, Travelers 47-Year Man, Is Retiring

Howard R. Sullivan, assistant secretary of the casualty claim department of Travelers and one of the oldest employees of that organization in point of years of service, is retiring. He joined Travelers as a clerk just after leaving Hartford high school 47 years ago. In 1910, he was transferred to the liability claim department and became its assistant manager in 1921. He has been in charge of procedural administration. He was named assistant secretary last February.



H. R. Sullivan

Kessler Safety Engineer for American International

Howard F. Kessler has joined American International Underwriters Corp. as a safety engineer in the casualty department.

He will travel extensively in many parts of the world, servicing contracting firms and other accounts engaged in a variety of operations.

Mr. Kessler is a Cornell University graduate and has been with Liberty Mutual and Sun Indemnity as servicing safety engineer and general safety engineer and supervisor of national traffic safety. He is an army veteran, retaining his commission in the engineers reserve corps.

Ehli Assistant Secretary

William Ehli has been appointed assistant secretary of United States Casualty. He will continue as assistant manager of the statistical department.

He was with compensation insurance rating bureau of New York in the ex-

perience rating department 1937-41, and joined U. S. Casualty in 1946 after army service.

Mulder Is Promoted by Continental Casualty

William J. Mulder has been elected assistant secretary of Continental Casualty. He will head up the newly formed retrospective production department for the development of miscellaneous liability risks. He has been with Continental for 11 years, starting as manager of experience and retrospective rating, three years later transferring to casualty special risks as manager and taking charge also of reinsurance. He has done considerable work on home office procedures.

Groth Joins Western Surety

Arnold Groth of Ft. Collins, Colo., has been appointed as special agent, covering the mountain field, by Western Surety.

Boll St. Louis Special Agent

Richard J. Boll has been appointed special agent at St. Louis by American Surety. He has been a trainee there since last April. He is a graduate of Washington University.

VonBurg Hoosier President

Harry F. VonBurg of General Accident, was elected president of Indiana Casualty & Surety Managers Assn.; George L. Browning of Glens Falls Indemnity is vice-president and Norman E. Hoppas, Home Indemnity, is secretary.

Country Mutual's 25th

Country Mutual Casualty of Chicago will mark the 25th anniversary of its founding Nov. 18. J. P. Gibson, Jr., executive vice-president of American Mutual Re, first manager of Country Mutual Casualty, will participate in the program. Several original directors of the organization will be on hand for the celebration.

W.C. I. OK.

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COMPENSATION

W.C. Rate Hike in N. C. OK. Extra Loading Denied

RALEIGH, N. C. — Commissioner Cheek turned down the request of Compensation Rating & Inspection Bureau of North Carolina for additional expense loading in workmen's compensation, but he allowed the bulk of a rate increase requested by the bureau.

The bureau had asked that the permissible loss ratio be reduced from 58 to 57%, with the 1% being added to the expense portion of the premium to help meet the expense of writing small policies. It would not have applied to policies on which the premium exceeded \$1,000 annually.

With the change in loss ratio, the rate increase sought would have averaged 5.8% and amounted to \$662,400 annually in premiums. Cheek approved the filing in toto except for the ratio change, but this reduced the increase to an average 3.9% totalling about \$429,000 annually. The increase became effective Nov. 1.

The commissioner at the hearing which preceded his decision said he was reluctant to alter loss ratios and suggested the better approach to the expense problem might be either to write the policies more economically or increase the expense constant from \$10 to \$17. "I am not convinced," he said, "that this would be the way to answer the problem."

Would Change Cal. Limits

Robert E. Battles, president of California Assn. of Insurance Agents, has advised Commissioner Maloney that the association favors a change in liability limits of employers in compensation cases from the \$25,000 figure to \$100,000 for one person and \$300,000 for any one accident.

California Inspection Rating Bureau has filed with the department a proposal that the amount be changed to a straight \$100,000.

These proposed changes are expected to be reflected in bills presented at the 1953 session of the California legislature.

Miss. Loophole Closed

Under the Mississippi compensation law, primary contractors must guarantee workmen's compensation to employees of subcontractors that employ eight or more workmen although fewer than that number is on the job involved. This was the decision of the Mississippi supreme court. In this case, Jesse Beach, a subcontractor, employed more than eight persons which is the minimum for compulsory W.C. coverage, but he worked fewer than that number in order to avoid liability under the act. The supreme court said that in such cases, coverage is required by the subcontractor and must be guaranteed by the prime contractor.

Eligibility Up in N. J.

Effective Jan. 1, the eligibility requirements of the experience rating plan have been increased from \$500 to \$1,400 by Compensation Rating & Inspection Bureau of New Jersey, with the approval of the state insurance department.

To Hear Bus Cover Talk

Connecticut Motor Stage Assn., a group of bus operators, at its annual meeting at Waterbury Nov. 19 will hear a discussion of bus insurance today by James McWilliams, assistant manager of the automobile department of National Bureau of Casualty Underwriters.

Mid-Century Stock Sale Plan

Mid-Century Ins. Co. of Los Angeles has filed with the California department an amended application for a permit to sell 100,000 shares of its \$10 par value

stock at \$17.50 per share, to net the company \$1,750,000 of which \$1 million is to be applied to capital and \$750,000 to be paid-in surplus. The stock is to be sold to Farmers Underwriters Assn., attorney-in-fact of Farmers Insurance Exchange, with which the new company plans to make a management agreement.

Dorsett Wants Traffic Safety Work Coordinated

(CONTINUED FROM PAGE 25)

mandatory. Any attempt to lift a suspended license or to have a revoked license restored, should be declared a crime against the public safety and punishable as such.

An equal share of responsibility, Mr. Dorsett said, belongs to the professional safety organizations, for having failed to teach the motorists that traffic laws were passed for their own protection.

He cited the "obvious" inability of these organizations to cooperate with one another. Each has its own personal idea of one or two things that should be done. One group says better roads is the most important step. A second holds for uniform traffic laws and ordinances. A third demands that everything be done through local safety committees. Others hold out for their pet ideas, such

as periodic inspection of motor vehicles, abolishment of all out-door advertising, using governors to control speeds, and almost as many more as there are groups in the business of traffic safety.

"The result is that the country has no a, b, c traffic safety program that makes sense. The public is befuddled, the motorists are irritated, and the editors of the country who are desperately anxious to help solve the traffic safety problem are understandably exasperated. The time has come for the traffic safety organizations to put aside bickerings, jealousies and personal interests, and draft a simple, effective program that will make our streets and highways safe for man and his property."

The whole truth about the cost of traffic accidents, in both human and economic terms, should be produced. Fatality statistics are reasonably accurate; injury statistics are merely estimates and they range from 1,300,000 to 1,800,000 annually. "When it comes to property damage accidents and economic losses, we don't even come close."

Houston Branch Is Moved

The Houston branch of American Surety has been moved to larger quarters at 3213 Fannin Street. This occupies the entire ground floor.

Hartford Companies in New Coast Offices

The San Francisco metropolitan department of Hartford Fire and Hartford Accident have moved to new locations.

The metropolitan department of Hartford Fire is now in suite 610 of the Balfour building, 351 California street. This department is under the supervision of T. E. Green, resident manager, and G. A. W. Ingram, superintendent of the marine department.

The metropolitan department of Hartford Accident and the automobile department of Hartford Fire have moved to the first floor of the Hartford building, 720 California street. They will occupy a large part of the first floor of the building which was recently enlarged and remodeled. Burrell C. Lawton and H. Lee Jansen are resident managers.

The Pacific department headquarters of the Hartford group now occupies the remaining five floors of the Hartford building.

Carl Higginbotham of the Higginbotham Co., general agents of Orlando, Fla., is conducting an insurance question and answer session for the Rotary Club at Eustis, Fla., Nov. 14.



PLAY SAFE! DRIVE CAREFULLY

A careless pass can result in a serious loss — on the Gridiron, a game — on the Highway, a life.

Play the game fairly — sportsmanship is as important on the road as it is in the stadium.

Remember — accidents don't always happen to the other fellow. Enjoy the game!... and live to see another!

DRIVE SAFELY! DRIVE SENSIBLY!



It's Wise to Centralize

CENTRAL SURETY AND INSURANCE CORPORATION

R. E. MCGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

Calls Tort Liability Trend Terrifying

(CONTINUED FROM PAGE 25)

lawyers say, "there is no law in an automobile case," which is another way of saying that the only present function of the jury in automobile accident cases is to assess damages.

Then there is the tendency toward awarding compensation for injuries of all types, whether physical or mental, proximate or remote.

One alarming excursion into the

realm of the remote and speculative is the rule permitting recovery for bodily injuries produced by fright without any physical contact.

In most of the cases miscarriage is the physical injury which is claimed to have resulted from the shock, and recovery is permitted in spite of the fact that obstetrical research has resulted in the medical view that fright cannot

cause abortion.

The frightening aspect of the fright case is that the reaction depends on the pre-existing psychological makeup of the individual. Since the results are for the most part purely subjective, there is no way of disproving the injuries claimed. Claims may be easily fabricated, and damages are speculative and conjectural.

Another enlargement of the scope of tort liability was brought into the limelight in 1951 when the New York court of appeals permitted recovery by a child for injuries sustained before birth. Possibly the next landmark in this trend will be an action by the child against its own mother for negligence causing such injury. Actions between relatives and between husband and wife are now a rather commonplace method of getting money from the insurer.

Take a Look at NACCA

National Assn. of Claimants' Compensation Attorneys has been notably active in creating a climate and conditions favorable to larger verdicts and larger settlements for injured persons.

In an address a leading member of NACCA told the lawyers that they have a duty to go into the hospital and take pictures of the client as he lies in the hospital bed, and that if the doctor does not cooperate in taking off the bandages, where there is no danger to the patient's wellbeing, a court order should force him to do so.

Under the contingent fee plan, he said, where verdicts are unusually large, lawyers may receive much higher fees than their services are reasonably worth. Thus society in general, and purchasers of liability insurance in particular, suffer an unjustifiable economic loss. Furthermore, contingent fee contracts frequently interfere with the settlement of cases for reasonable amounts, first, because the lawyer has a large stake in the matter, a strong monetary interest in the "more adequate award," and secondly, because the injured client may find his share, after deduction of the lawyer's contingent fee and after deduction of medical expenses incurred and other financial loss suffered, too small to induce settlement.

Suggests Graduated Contingent

The subject of contingent fee has an important bearing on the high cost of insurance, on crowded court calendars and on unreasonable attitudes in the settlement of cases, Mr. Murphy said. He suggested a contingent fee system graduated downward depending on the amount recovered.

Cal. Agents Fighting for W.C. Reforms

(CONTINUED FROM PAGE 25)

as against the dividend system of participating companies. His decision is now in the courts because of action by the California dividend paying companies. While the commissioner favors some method whereby the non-par companies can be equal with the participating carriers in competition for the big risk business, it is doubtful that he will sponsor any legislation on the question, although he believes that the group and the dividend computation system are related and could be covered in one bill. Both aim to eliminate any tint of discrimination—the nub of the entire controversy.

Seek "Premium Discounts"

The committee also brings out that the California state fund and the participating companies—Associated Indemnity, California Compensation, Colonial, Pacific Employers, Industrial Indemnity, et al., most of them California home companies, write 90% of the workmen's compensation premiums in the state. This, it has been complained, "freezes" out a fair distribution of the big premium paying risks among the major non-par stock companies. This is the condition that prompted the formation two years ago by a group of non-par companies of a special committee which presented a strong argument to the commissioner for the right to grant premium discounts on large risks where the cost of underwriting and administering the line is reduced as compared to their present higher cost ratio because of the necessity of writing many small risks to obtain an adequate premium income.

Buffalo Club Has Dinner

At the first annual dinner of the newly formed Insurance Club of Buffalo, with 150 in attendance, Dr. Robert Riegel of University of Buffalo outlined its insurance courses and called on the insurance men to keep them going. Many courses are now operating at a loss, he said, and may be dropped unless support is given them. D. E. Klein, attorney, said no organization can survive on selfish purpose alone.

Directors elected are: One year, Herman K. Heussler, Gilbert S. Hildebrandt, Robert C. McPherson and Oliver H. Turgeon; two years, Lincoln W. Beale, Lorraine H. Bristow, Robert E. Campbell and David G. Prescott; three years, Raymond G. Christ, Bernard L. Jones, Robert P. Lentz, Jr., and Chester I. Soule, Jr.

Agency Observes 115th Year

The 115th year of continuous operation of the Mason agency, Keene, N. H., was celebrated at a dinner given by Fireman's Fund. Walter L. Mason, now president, recalled that he started in the business in 1888, representing Anglo-Nevada Ins. Co., which was taken over by Fireman's Fund after the San Francisco earthquake.

Toastmaster was Arthur Fleischhauer, vice-president of the host company.

Kemper Buys Pa. Agency

Paul D. Goodling has sold his agency at Altoona, Pa., to James S. Kemper & Co. The agency was established four years ago to represent Lumbermens Mutual Casualty and Shelby Mutual.

F. W. Dauphinee, Jr., will have charge of the office for at least the initial period.

Donald Doyle, Oakland agent, long active in both Oakland Assn. of Insurance Agents and the state association, has been elected to the California assembly in strong Democratic territory. He was the only Republican in the district to win.

*Serving the Public, Commerce and Industry
through the Local Insurance Agent . . .*

BURGLARY

AUTOMOBILE

GENERAL LIABILITY

COMPREHENSIVE LIABILITY

WORKMEN'S COMPENSATION



GUARANTEE INSURANCE COMPANY

Western Division and Home Office: 1671 Wilshire Blvd., Los Angeles, California

Mid-West Division: 108 E. Washington Street, Indianapolis, Indiana

Southern Division: Mercantile Commerce Building, Dallas, Texas

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**THERE IS NO SUBSTITUTE FOR QUALITY!
DO YOUR PRESENT COMPANIES QUALIFY?
JOIN US — "SELL WOLVERINE"**

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Debate Classes, Trend Factor in N.C.

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least as bad—we see no relief from the present trend."

In the first six months of this year, he said, the average B.I. claim cost in North Carolina, as compared with the last six months of 1951, advanced from \$553 to \$609. The average P.D. cost rose during the same period from \$91 to \$96.

Mr. Brewster added "this is no one-way street. It is a two-way street." In 1942, he pointed out, sharp reductions were put into effect because of a trend induced by wartime limitations on auto driving.

Mr. Cheek said he felt a trend factor might be all right "but we ought to use the same one at least twice. I am willing to go along on a rate increase if it is based on something I can explain to the public."

The proposed increases are 13.3% B.I. and 17.8% P.D. for private passenger cars and 19.3% B.I. and 24.9% P.D. for commercial autos.

Mr. Cheek found an ally in Earl Johnson, local agent of Raleigh, in the trend factor argument. Johnson said the argu-

ments advanced for it "haven't been convincing to me." Both he and Cheek pointed out the Republican victory at the polls Nov. 4 had been heralded as an indication that the brakes would be applied to inflation.

Cheek was critical of what he termed "the reluctance of the companies to rate each classification for what it ought to be."

Public Wants Experience Rating

"The public is demanding," he said, "that we have experience rating, and the best way is to keep breaking down the classes."

"As the experience is credible for them," put in J. M. Muir, secretary of Mutual Insurance Rating Bureau, who said he agreed with Mr. Cheek's statement.

As an example of the public demand for better classification of risks, Cheek said the county farm agents of North Carolina recently approached him on the possibility of a group policy for themselves. He told them it could not be obtained at present.

He voiced displeasure because some companies are avoiding writing coverage on the 25-year-olds, but after the hearing he said he believed this was not so widespread as he had at first thought. However, it was brought out at the hearing that 18.5% of this group now has to go through the assigned risk plan, and a number of companies decline to write college students and soldiers.

Hugh Fortescue, Washington, N. C., local agent, said this "is an indication that something is wrong with the rate." Mr. Muir, however, pointed out that the rate would advance too sharply if the full differential were assigned to class II, which includes the 25-year-olds. The indicated differential is 68%, whereas the actual is 15%.

"It is going to be bad business if they start turning down these 25-year-olds," warned the commissioner. "I saw a letter from one company today telling its agent not to take any more under 25 unless they had them before."

"If I had all the companies here, I would ask: If this rate increase is approved, will you go ahead and write the business? There is a certain amount of discrimination in trying to avoid the bad ones in order to come out with the good ones."

John N. Chatham, Durham local

agent, said he had been instructed by his companies to avoid writing liability on students at Duke University. When they are turned down, he added, "they will never come back to us to buy. It just creates a bad situation for us by injuring good will."

George A. Iseley of Raleigh, a member of the North Carolina Insurance Advisory Board, said he also had been instructed to avoid students and soldiers. Other agents said they felt it was the unmarried male below 25 who was "causing all the trouble," not the more settled married man. They felt that some further rate division is necessary.

"We're holding rate making in general rather rigid," Mr. Cheek commented. "It looks like the place to start is to break the overall picture down into more components. I think our problem here is we've just taken all the drivers under 25 and put them in one group."

"It is a question," Mr. Brewster reminded, "of just how far you can refine it and still have the experience credible."

D. A. Tappley, associate actuary of State Farm Mutual Auto, reported that his company now makes no distinction in drivers over 20 "but we are very selective in our risks, as you know." The company has been keeping its own statistics, he said, and is "seriously considering the erection of a youthful driver class."

May Hike Profit Factor

Cheek indicated he was inclined to approve a proposed increase in the profit factor from 2.5 to 3.5%. The requested transfer of the 6.5 unallocated claim expense to the loss side was a different matter.

Pointing out the permissible loss ratio would be increased from 54.9 to 61% to offset the change, Muir said it was "purely a public relations method" which would help the public see the companies' side of the picture and at the same time permit more frequent reviews of the expense loading. William J. Heinrich of Chicago, assistant secretary of Allstate, agreed that the change "would make it reflect more the actual loss cost and be more understandable to the public."

"I can't help but feel," Cheek said, "that this is an item that is within the control of the company. I hesitate to put in as part of the loss some of those expenses which may vary from company to company, depending on how it chooses to operate. You're wading right into a regulation of that part of your activity. Then the next step might be to bring in the agent's commission, and you're regulating that, too."

"Right on Through Commission"

"I just see no stopping of it, right on through the agent's commission. And why should I approve 25% for the agent's commission when I know they're paying 15?"

Sherman G. Otstot of Raleigh, executive secretary of North Carolina Assn. of Insurance Agents, said he was inclined to feel the unallocated claim expense belongs on the loss side "but I am fearful of what might ultimately happen."

The formula change has been approved in 35 states, according to Mr. Brewster. Mr. Muir, replying to a question, said New York turned it down because it "wants to study it some more."

Would Up Mont. Hail Limits

The Montana legislature will probably be asked to increase the maximum amount of state hail insurance coverage that may be purchased from \$10 to \$12 per acre of non-irrigated land and \$20 to \$24 on irrigated land. This was made known by E. K. Bowman, state hail insurance chairman. He went on to say this would require an increase in the reserve fund to \$1,200,000. The legal limit now is \$1 million.

Hail losses in 1952 were light. The premiums totaled \$209,801 and the claims were about \$100,000.

multiple line facilities

Continental
Companies
Building
Chicago 4



ACCIDENT
FIDELITY
GENERAL CASUALTY
HEALTH
HOSPITALIZATION
INLAND MARINE
LIFE
SURETY

**Continental
Casualty Company**
and Associates: Continental Assurance Company
Transportation Insurance Company
United States Life Insurance Company

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Mich. Agents Interested in Multiple Peril Forms

LANSING—Michigan agents are showing interest in the homeowners' multiple peril package policies filed recently in Vermont, Colorado, California, Pennsylvania and Delaware.

There appears considerable sentiment among members of the Michigan Association of Insurance Agents in favor of having similar policies filed in this state. There is reported to be some fear on the part of agents, however, that coverages are being so broadened that basic coverages will prove more costly to the insured.

After studying analyses of these forms, many Michigan observers question the provision, contained in both of the policy forms filed, for \$50 deductible for wind, hail and A.E.C.

Membership of the association is being queried directly by the headquarters office here as to the agents' attitude relative to filing of the form in the state and suggestions also are being solicited as to the exact contents of the forms.

It is suggested in an association bulletin that such a package policy "may have good sales appeal and seems a good instrument for obtaining better insurance to value." It is noted that many multiple line companies already have filed provisions for attaching personal liability or residence theft endorsements to fire and extended coverage policies but the coverages are not in the same style and form as in the new contracts. The policies conform with Michigan statutes, it is found, since the physical damage coverage conditions conform to the statutory fire policy. It is conceded the Michigan department might require some minor changes. Controversy might arise over the deductible feature, it is admitted, and over the installment premium plan involved.

Now Cherry-Wendt Co.

Henry E. Wendt, who has been senior adjuster for Western Adjustment at Omaha, has resigned and joined Cherry Adjustment Co., which hereafter will be known as Cherry-Wendt Adjustment Co.

Mr. Wendt joined Western Adjustment in 1936. He studied engineering four years at Iowa University and in 1932 became associated with the E. H. Lougee agency at Council Bluffs, Ia., remaining there until 1936. Mr. Wendt studied law at night at Omaha University while in the local agency.

Kan. Agents in State Senate

Loren Jones, Dodge City, a past president of Kansas Assn. of Insurance Agents, and Jerome C. Berryman, Ashland agent, were elected to the Kansas state senate on the Republican ticket.

Dipple Takes Omaha Post

Herman Dipple has been appointed manager of the casualty department of Omaha branch of Underwriters Adjusting. He has nine years of experience in the casualty field and was formerly with the Union Pacific railroad.

Michigan Leaders Meet

A meeting of major officers of Michigan Assn. of Insurance Agents is being held at Detroit this week at the call of Grant Moore, Port Huron, president. The group will review findings of the automobile insurance study committee since its meeting in Lansing Oct. 15; will consider some problems existing in two local associations, and will review with H. W. Huttenlocher, Pontiac, chairman of the midwest territorial conference, some of the program being developed for this conference, scheduled for the Sheraton-Cadillac hotel, Detroit, Feb. 22-24.

President Moore has called a meeting of the association executive committee for Dec. 18 at Lansing.

Frank McCaffrey, Detroit, has been appointed chairman of the committee on laws and legislation of the Michigan association.

Organize Delavan Board

Delavan (Wis.) Board of Insurance Underwriters has been organized with Walter Horn as president and Joseph Walters, secretary. At the request of the insurance committee of the council, the new board will make a survey of the city fire insurance setup, appraising properties, surveying the rate makeup and analyzing policies now in force. A simplified insurance program with up to date policies is to be prepared.

SOUTH

Agent-Solons Reelected

G. Ray Ward, Sparta, president of Tennessee Insurers Assn., was reelected last week to the house, where he served as chairman of the insurance committee, and another active agent, Brooks Eslick of Pulaski, chairman of the senate committee in 1951, was also reelected.

O'Toole at Chattanooga

John J. O'Toole, secretary of F. D. Hirschberg & Co., St. Louis, chairman of the fire safety committee of N.A.I.A., will speak on "Fire Prevention" in connection with an inspection of Chattanooga, Tenn., Nov. 19.

Diamond Year for Leigh Co.

L. B. Leigh & Co. general agency of Little Rock is celebrating its 75th year. William W. Leigh and J. Gilbert Leigh, M. M. Anderson and C. C. Collie, the present owners, are credited with preserving the tradition and ideals of a business which had its beginnings in the reconstruction era following the Civil War.

Liability Cover Illegal

The commissioners court of Jefferson county (Beaumont, Tex.) voted not to renew liability insurance on the county airport. The district attorney's office had ruled that paying premiums on such coverage is illegal.

The commissioners heard a proposal from Mark Moore of T. E. Moor & Co. for placing its fire insurance on a five-year staggered basis instead of the three-year plan which has been in effect for the past six years.

Charles Little previously had submitted an offer to renew the three-year program which is now expiring. Mr. Little acts as servicing agent and gets a greater commission than do the other participating agencies.

The Moore plan called for distribution of 75% of the commission to the Moor Co. for acting as servicing agency.

Tachau Agency Sold

The E. S. Tachau & Sons agency at Louisville, for many years controlled by Emil S. Tachau and his sons Charles and Lewis, has been sold to a new corporation operating under the same name, which will be headed by George Cohn, Jr., as president; J. Marshall Bensinger, secretary, and James G. Bakrow, treasurer. Messrs. Cohn and Bakrow have

been with the organization more than 20 years and Mr. Bensinger for nine.

E. S., C. G. and Lewis Tachau will assist the agency, but plan to give more time to Louisville Fire & Marine.

COAST

Wash. Field Men Schedule Educational Conferences

A series of educational meetings, each of which will feature recent changes in rates, rules and forms, will be held in all key towns and cities of central and western Washington the week of Nov. 17, sponsored by Washington Fire Underwriters Assn. Five teams of field men will cover that area, holding afternoon and evening sessions.

Chairmen of the teams are Kermit G. Davis, Travelers Fire; William Evans, Fireman's Fund; L. W. McChesney, Great American; Sheffield McDonald, Aetna Fire, and George P. Neuman, Home. Meetings have been scheduled at Port Angeles, Bremerton, Kirkland, Hoquiam, Chehalis, Everett and Bellingham with tentative dates for Olympia, Tacoma, Vancouver, Longview, Yakima, Ellensburg and Wenatchee.

The regional meetings of Washington Assn. of Insurance Agents originally scheduled for that week have been indefinitely postponed.

Mountain C.P.C.U.s Elect

The Rocky Mountain C.P.C.U. chapter held its annual meeting at Denver and elected these officers: President, W. Rex Kerr, Wilson-Creech agency; vice-president, Howard Hutson, Hutson agency, and secretary, F. J. Morgan, Aetna Casualty, all of Denver.

Robert M. Morse, director of the educational advisory department of American Institute for Property & Liability Underwriters attended the meeting and met with faculty members of University of Denver and others interested in preparing for the C.P.C.U. examinations. He complimented the chapter on its educational activities for the past year and summarized the activities of all study groups throughout the United States.

Baller Joins General Agency

Don Baller, formerly special agent at Seattle for Millers National, has become a special agent for the Brown general agency there. He was formerly with the Loyalty group for a number of years.

King County Annual Jan. 14

The annual meeting and banquet of King County Insurance Assn. will be held Jan. 14 at Seattle. James Charteris is chairman of arrangements.

Wendelin Denver Speaker

At the November meeting of Denver Insurers, President Ted Wendelin, Title Guaranty Co., Denver, urged the members to take an active part in civic activities. He introduced the program director of Junior Achievement of Colorado, Inc., which sponsors teen-age business, and regards it as a unique way of enlightening teen-agers in the free enterprise system.

Barr Adjustment Changes

The Riverside, Cal., office of Barr Adjustment Co. has been moved to larger quarters at 6934 Magnolia avenue. H. S. McElwain is in charge.

H. E. Awtry has been named claims manager at El Centro. He has been in the adjusting business for 25 years, starting with Southern Surety, serving

Charles R. Trueheart, president of Timberlake & Trueheart agency, has been named for the second consecutive year as chairman of the Christmas Seal sale campaign at Louisville.

later with Farmers of Los Angeles, American Indemnity and Transport Indemnity, with the latter as assistant superintendent of claims.

Form University Advisory Group

An insurance advisory committee to the college of business administration of the University of Washington is in process of formation with all segments of insurance represented. Charles Edwards, New York Life, is temporary chairman.

DEATHS

(CONTINUED FROM PAGE 23)

was a director of National Assn. of Surety Bond Producers.

ROLAND E. WALKER, 47, formerly at the home office of Hardware Mutuals and office manager at Omaha and St. Louis, died at his home at Wautoma, Wis., after a long illness.

LOUIS H. PLATT, an independent adjuster at Little Rock for 36 years and a life member of the Blue Goose, died at Memphis, where he had lived in retirement for the past three years.

JAMES GARMAN, 59, for 16 years manager of Washington National at Jersey City, died following a heart attack. Earlier he was superintendent at Newark, N. J.

WILLIAM G. SNELL, 82, who had completed more than 67 years of service with Springfield Fire & Marine at Chicago, died Nov. 8 at Presbyterian hospital, Evanston, after suffering a stroke. Mr. Snell was born in 1870 in London. He came to the United States in 1879 and attended school in Texas. In 1883 he moved to Chicago and went to work for Springfield F. & M. as office boy in its quarters in the Mercantile building, 118 La Salle street. At the time of his death he was supervisor of the agency department and in charge of supply, printing and purchasing. Mr. Snell's anniversary date with Springfield was April 6. He marked his 50th year with the company in 1935. Almost a year ago he became ill, but he continued his active interest in the company.

WILLIAM BUSH, 82, former Portland, Me., manager of General Adjustment Bureau, died suddenly at his home. He was long a special agent at Boston with Phoenix of England and Queen Ins. before entering the adjustment field. He was appointed manager at Portland in 1925, but had relinquished his duties as manager about five years ago, although he continued to maintain his office at the bureau's Portland headquarters.

JAMES G. HARPER, 51, district claims manager of American Mutual Liability at Richmond for 10 years, died in a hospital there.

HOWARD P. BLEICHNER of the John A. Bleichner & Sons agency of Pittsburgh, died at Presbyterian hospital at the age of 49. He had been an insurance man 30 years.

ALLEN M. FREEMAN, 70, local agent at Concord, N. H., for 38 years, died after a long illness. He had served in the legislature as representative and senator.

HENRY C. BAGGETT, 37, local agent at Reldsville, N. C., died there.

MRS. GRACE F. HUBBARD, 56, local agent at Clinton, N. C., since 1934, died in the hospital there.

WILLARD S. VLIET, 58, Westfield, N. J., for 31 years head of the Newark local agency bearing his name, died.

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FINANCIAL STATEMENTS DECEMBER 31, 1951

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,275,000.	\$108,470,990.	\$61,257,086.	\$47,213,904.
Girard Insurance Company of Philadelphia, Pa. <small>Organized 1853</small>	1,000,000.	10,711,510.	6,979,138.	3,732,372.
National-Ben Franklin Insurance Co. of Pitts., Pa. <small>Organized 1866</small>	1,000,000.	10,476,694.	6,617,586.	3,859,108.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	28,159,650.	17,868,349.	10,291,301.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	36,291,676.	27,904,445.	8,387,231.
Commercial Insurance Company of Newark, N. J. <small>Organized 1909</small>	2,000,000.	42,686,336.	33,078,793.	9,607,543.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	433,385.	6,568.	426,817.

Pittsburgh Underwriters - Keystone Underwriters

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas

HOME OFFICE
10 Park Place
Newark 1, New Jersey

CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.

Your Insurance Agent —
The **Man of Many Interests**

A VERSATILE MAN, your Home Insurance agent. He knows insurance, sure—that's his life's work. But you may find that he's also a prime mover in many important community activities. It's his nature to work *with* and *for* people. As a good insurance man, naturally he has a keen sense of responsibility, gets satisfaction from doing things for people. In short—he's your good neighbor.



An Independent Businessman, your property insurance agent has invested his money as well as his efforts in your community. He knows the problems of both businessman and homeowner and you can depend on this—he's loyal to you and your town.



Like a Doctor, your insurance man has a 24 hour a day job.



A Real Safety Salesman, your insurance agent is interested in preventing trouble for you and your neighbors. That's why so many Home agents are leaders in worthy community projects—that pay off in peace.

This Could Be Your Ad

The advertisement above . . . one of a continuing series . . . tells the story of a man—a typical insurance agent. It will be seen by more than 19 million readers of national magazines.

The story it tells is important to the Home agent. It represents him in a new and significant light to the people he serves—establishes his important place in his community. It's designed to help you sell by selling *you* to your customers and prospects.

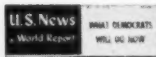
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WILL APPEAR IN



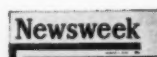
NOV 19



NOV 28



NOV 24



NOV 15

★ THE HOME ★ Insurance Company

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

THE HOME INDEMNITY COMPANY

Casualty Insurance • Fidelity and Surety Bonds



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